

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN**

**MYRON WEBSTER,**

Plaintiff,

Civil Action No. 2:24-cv-12035

v.

Hon. Jonathan J.C. Grey

**CONSUMER CREDIT UNION,  
ARBOR PROFESSIONAL SOLUTIONS INC,**

Defendants.

---

**DEFENDANT CONSUMERS CREDIT UNION'S  
MOTION TO COMPEL ARBITRATION**

NOW COMES Defendant Consumers Credit Union, by and through its attorneys, Holzman Law, PLLC, and hereby moves to compel arbitration for the reasons more thoroughly set forth in its Brief In Support.

The undersigned counsel certifies that counsel exchanged email correspondence with Plaintiff on August 23, 2024 and August 24, 2024, explaining the nature of the relief to be sought by way of this motion and seeking concurrence in the relief, but Plaintiff did not grant concurrence.

Respectfully submitted,

Dated: August 27, 2024

**HOLZMAN LAW, PLLC**

/s/Michael V. Krempa

CHARLES J. HOLZMAN (P35625)

MICHAEL V. KREMPA (P76494)

Attorneys for Defendant Consumers  
Credit Union, Only

**CERTIFICATE OF SERVICE**

I hereby certify that on August 27, 2024, I electronically filed the foregoing and any exhibits with the Clerk of the Court using the ECF system which will send notification of such filing to all parties of record. I further certify that copies of the foregoing were mailed to the following parties via first class mail with postage fully prepaid:

Myron Webster  
9180 West Walden Drive  
Belleville, MI 48111

/s/Samantha Kennedy  
Samantha Kennedy, Legal Assistant

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN**

**MYRON WEBSTER,**

Plaintiff,

Civil Action No. 2:24-cv-12035

v.

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**CONSUMER CREDIT UNION,  
ARBOR PROFESSIONAL SOLUTIONS INC,**

Defendants.

---

**BRIEF IN SUPPORT OF DEFENDANT CONSUMERS CREDIT UNION'S  
MOTION TO COMPEL ARBITRATION**

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## **ISSUES PRESENTED**

1. Whether this matter should be stayed in favor of arbitration.

Defendant States: “yes.”

Plaintiff Presumably States: “no.”

## CONTROLLING OR MOST APPROPRIATE AUTHORITY FOR THE RELIEF SOUGHT

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## I. INTRODUCTION

In this action, Plaintiff seeks to assert several claims under the Fair Credit Reporting Act against Consumers Credit Union. Plaintiff's claims, however, are subject to a binding arbitration clause contained in the Membership and Account Agreement between the parties and therefore must be arbitrated. This Court must therefore stay these proceedings in favor of arbitration.

## II. STATEMENT OF FACTS

Plaintiff alleges that he obtained a personal loan from Consumers Credit Union in November of 2018. ECF No.1, PageID.3. He alleges that he became unable to make payments on the loan and that the Credit Union subsequently charged off the loan. *Id.* Plaintiff further alleges that the Credit Union placed the account with Defendant Arbor Professional Solutions Inc. ("APS") for collection and that APS thereafter reported the loan on Plaintiff's credit report at the same time that the Credit Union was reporting the loan. *Id.* Plaintiff ostensibly seeks to assert claims against the Credit Union under the Fair Credit Reporting Act relating to the Credit Union's reporting of the loan. See ECF No. 1, PageId.9, 12, 13, 14.

Plaintiff became a member of the Credit Union on November 1, 2018. See Membership Application attached hereto as **Exhibit "A."** At that time, he agreed that he received the Member Handbook of the Credit Union and agreed to be bound by the terms of the agreements therein. *Id.*



In February of 2021, the Credit Union mailed a revised Member Handbook to Plaintiff. See Affidavit attached here to as **Exhibit “B”** and Member Handbook attached hereto as **Exhibit “C”**. That Member Handbook contained a Membership and Account Agreement (“Agreement”) that governed the relationship of the parties and contained a binding arbitration provision. Exhibit C. The Member Handbook has been revised since then, but the arbitration provisions were not changed by those revisions. Exhibit B.

The first page of the Agreement contains a conspicuous notice of arbitration provision which provides as follows:

NOTICE OF ARBITRATION PROVISION
<p>This Agreement contains an Arbitration Provision which provides that you or the Credit Union may elect to have all disputes resolved by <b>BINDING ARBITRATION INSTEAD OF IN COURT</b>.</p> <p>You should read the Arbitration Provision below carefully. It provides, among other terms:</p> <p>You <b>GIVE UP YOUR RIGHT TO GO TO COURT</b> to assert or defend your rights under this Agreement (<b>EXCEPT</b> for matters that may be taken to <b>SMALL CLAIMS COURT</b>).</p> <p>Your rights will be determined by a <b>NEUTRAL ARBITRATOR</b> and <b>NOT</b> a judge or jury.</p> <p>You are entitled to a <b>FAIR HEARING</b>, BUT the arbitration procedures are <b>SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT</b>.</p> <p>Arbitrator decisions are as enforceable as any court order and are subject to <b>VERY LIMITED REVIEW BY A COURT</b>.</p> <p><b>YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.</b></p>

[Exhibit C.]

The Agreement further provides that it applies to all claims that Plaintiff may raise against the Credit Union, no matter when they arose:

**A. Agreement to Arbitrate Disputes.** Either you or we may elect, without the other's consent, to require that any dispute between us concerning your membership, your deposit accounts ("Accounts") and the services related to your membership and Accounts, including but not limited to all disputes that you may raise against us, must be resolved by binding arbitration, except for those disputes specifically excluded below.

\* \* \*

**C. Disputes Covered by Arbitration. YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL.** Any claim or dispute relating to or arising out of your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your Accounts. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its affiliates, successors, assignees, officers, directors, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which

is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision. [Exhibit C, p. 19.]

Plaintiff's claims against the Credit Union fall within the purview of this arbitration provision and this Court should therefore stay this case pending arbitration of this matter.

### **III. STANDARD OF REVIEW**

An “analogy to summary judgment provides the right way to assess a motion to compel arbitration under [9 U.S.C. §4].” *Boykin v. Fam. Dollar Stores of Michigan, LLC*, 3 F.4th 832, 838 (6th Cir. 2021). “The question whether the party opposing arbitration has put the making of the arbitration contract “in issue” looks a lot like the question whether a party has raised a genuine issue as to any material fact.” *Id.*, quoting Fed. R. Civ. P. 56(c).

### **IV. ARGUMENT**

#### **A. PLAINTIFF’S CLAIMS MUST BE ARBITRATED.**

The arbitration provision provides that the parties will arbitrate disputes pursuant to the Federal Arbitration Act:

**Governing Law.** You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Michigan shall apply. [Exhibit C, p. 21]

The Federal Arbitration Act (the “FAA”) applies if the subject transaction involved interstate commerce, “even if the parties did not contemplate an interstate commerce connection.” *Allied-Bruce Terminix Companies, Inc v Dobson*, 513 US 265, 281; 115 S Ct 834, 843; 130 L Ed 2d 753 (1995).

The FAA, 9 USC §§ 1–16, reflects the fundamental principle that arbitration is a matter of contract. Section 2 of the FAA provides:

A written provision in ... a contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract ... shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract. [9 USC § 2.]

The FAA “embodies the national policy favoring arbitration and places arbitration agreements on equal footing with all other contracts.” *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440, 443, 126 S.Ct. 1204, 163 L.Ed.2d 1038 (2006). Consistent with § 2 of the FAA, courts must “rigorously enforce” arbitration agreements according to their terms. *Am. Express Co. v. Italian Colors Rest.*, 570 U.S. 228, 233, 133 S.Ct. 2304, 186 L.Ed.2d 417 (2013) (citing *Dean Witter Reynolds Inc. v. Byrd*, 470 U.S. 213, 221, 105 S.Ct. 1238, 84 L.Ed.2d 403 (2010)). “Any doubts concerning the scope of arbitral issues must be resolved in favor of arbitration.” *Dean Witter Reynolds*, 470 U.S. at 220 (citing *Moses H. Cone Memorial Hospital v Mercury Construction Corp.*, 460 U.S. 1, 103 S.Ct. 927, 74 L.Ed.2d 765 (1983)).

In general, whether the parties are bound by a given arbitration provision raises a “question of arbitrability” for a court to decide. *Howsam v. Dean Witter Reynolds, Inc.*, 537 U.S. 79, 84, 123 S.Ct. 588, 154 L.Ed.2d 491 (2002). However, the parties may, through a “delegation provision,” agree that the arbitrator will decide not only the merits of their dispute, but also threshold or “‘gateway’ questions of arbitrability, such as whether the parties have agreed to arbitrate or whether their agreement covers a particular controversy.” See *Rent-A-Center, W., Inc. v. Jackson*, 561 U.S. 63, 68–69, 130 S.Ct. 2772, 177 L.Ed.2d 403 (2010); *Henry Schein, Inc. v. Archer & White Sales, Inc.*, 139 S.Ct. 524, 529, 202 L Ed.2d 480 (2019). “An agreement to arbitrate a gateway issue is simply an additional, antecedent agreement the party seeking arbitration asks the federal court to enforce, and the FAA operates on this additional arbitration agreement just as it does on any other.” *Rent-A-Center*, 561 U.S. at 70. Where there is clear and unmistakable evidence that the parties agreed to arbitrate such gateway issues, courts must respect the decision of the parties as set forth in the arbitration provision and refer all arbitrability questions to arbitration. *Henry Schein, Inc.* at 531. This is true even when the arguments as to a particular claim's arbitrability are “wholly groundless.” *Id.* at 529.

In the matter at hand, Plaintiff and the Credit Union agreed that either party could require that any dispute that Plaintiff raises against the Credit Union be resolved by binding arbitration. Exhibit C, p. 19. They further agreed that disputes

relating to the interpretation of the arbitration provision would be decided by the arbitrator:

Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced. [*Id.*]

There is no question that Plaintiff raised a dispute against the Credit Union in this action. Thus, Plaintiff's claims against the Credit Union fall within the purview of the arbitration clause. Moreover, the question of whether the arbitration clause is enforceable or whether it applies to Plaintiff's claims was delegated by the parties to the arbitrator. The arbitrator, and not the Court, must therefore determine whether Plaintiff's claims are subject to arbitration.

The U.S. Supreme Court has recently determined that the Federal Arbitration Act does not give Federal District Courts the power to dismiss a case when a party has requested a stay of the action. *Smith v Spizzirri*, 144 S Ct 1173, 1176 (2024) (“When a federal court finds that a dispute is subject to arbitration, and a party has requested a stay of the court proceeding pending arbitration, the court does not have discretion to dismiss the suit on the basis that all the claims are subject to arbitration.”) This is consistent with the text of Section 3 of the FAA which provides, in pertinent part, that “[i]f any suit or proceeding be brought in any of the courts of the United States upon any issue referable to arbitration under an agreement in

writing for such arbitration, the court in which such suit is pending, ... shall on application of one of the parties stay the trial of the action until such arbitration has been had in accordance with the terms of the agreement...” For these reasons, this Court should stay these proceedings in favor of arbitration.

WHEREFORE, for the reasons stated above, Defendant Consumers Credit Union respectfully requests that this Honorable Court stay these proceedings.

Respectfully submitted,

**HOLZMAN LAW, PLLC**

Dated: August 27, 2024

/s/Michael V. Krempa

CHARLES J. HOLZMAN (P35625)

MICHAEL V. KREMPA (P76494)

28366 Franklin Road

Southfield, MI 48034

T: (248) 352-4340

mkrempa@holzmanlaw.com

Attorneys for Defendant Consumers  
Credit Union, only

### **CERTIFICATE OF SERVICE**

I hereby certify that on August 27, 2024, I electronically filed the foregoing and any exhibits with the Clerk of the Court using the ECF system which will send notification of such filing to all parties of record. I further certify that copies of the

foregoing were mailed to the following parties via first class mail with postage fully prepaid:

Myron Webster  
9180 West Walden Drive  
Belleville, MI 48111

/s/Samantha Kennedy  
Samantha Kennedy, Legal Assistant



# EXHIBIT A



## Membership Application

I am applying for ownership privileges with Consumers Credit Union.

Last Name	WEBSTER	First	MYRON	Middle Initial	
Birthdate			SSN		
Email					

Attach \$25 for membership share deposit. See attached information sheet.

By signing, I:

- certify that all information on the Credit Application and on any attachments are true and that this information represents my financial conditions accurately. I agree to notify Consumers Credit Union immediately if there are any important changes. CCU may verify this information from whichever sources it chooses. I understand that from time to time CCU may receive information concerning me from others and that the credit union may furnish others with similar information. The Credit Application remains CCU's property even if credit is refused.
- acknowledge that I have received and read the Member Handbook containing the Membership Agreement and Disclosure, Truth-in-Savings Disclosure, Funds Availability Disclosure, Regulation E- ATM / Debit Card Disclosure Statement and Agreement, VISA Credit Card Disclosure Statement and Credit Agreement, Gold MasterCard Credit Card Disclosure Statement and Credit Agreement, and the Open-end Disclosure Statement and Credit Agreement. I agree to be bound by and comply with the terms of such Agreements, subject to CCU's approval.
- hereby authorize Consumers Credit Union to reimburse itself for my check which it pays, to the extent by which such check exceeds the balance in this checking account, by transferring sufficient funds from my savings account and/or my Open-end Line-of-Credit loan.
- Under penalties of perjury, I certify (1) that the number shown on this form is my correct taxpayer identification number, (2) that I am not subject to backup withholding because (a) I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (b) the Internal Revenue Service has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien). Notice: You must cross out Item (2) above if you have been notified by the IRS that you are subject to backup withholding and you have not received notice from the IRS advising that backup withholding has terminated.

Signature		Date	11/01/2018
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### CREDIT UNION USE ONLY

Approved by Membership Officer		Date	
--------------------------------	--	------	--

Consumers Credit Union Indirect Data Sheet				
Primary Borrower				
Name: (First, Middle Last) MYRON A WEBSTER		App Number: [REDACTED]	Member Number: [REDACTED]	
Address: 9180 W WALDEN DR		City: BELLEVILLE	State: MI	Zip: 48111
Membership Eligibility: <b>Community Charter</b>	Email Address:	Home Phone Number: [REDACTED]	Cell Phone Number:	
Social Security Number: [REDACTED]	Date of Birth: [REDACTED]	Drivers License Number: [REDACTED]	State: MI	Expiration Date: [REDACTED]
Employer: CRACKER BARREL	Length Of Emp: 2 Years 6 Months	Position: COOK	Work Phone Number: (734) 697-5299	
Nearest Relative Not Living With You:		Relationship:	Phone Number:	

CREDIT UNION USE ONLY:

Approved By Membership Officer: Laura Westbrook Date: 11/08/2018

# EXHIBIT B

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN**

**MYRON WEBSTER,**

Plaintiff,

Civil Action No. 2:24-cv-12035

v.

Hon. Jonathan J.C. Grey

**CONSUMER CREDIT UNION,  
ARBOR PROFESSIONAL SOLUTIONS INC,**

Defendants.

---

**AFFIDAVIT OF ABBY STEARS**

STATE OF MICHIGAN            )  
  ) SS.  
COUNTY OF KALAMAZOO )

Abby Stears, being duly sworn, certifies that the statements set forth in this Affidavit are true and correct based on her personal knowledge, and that if sworn as a witness, she would be competent to testify to the matters set forth herein as follows:

1. I am an Operations Business Analyst of Consumers Credit Union (the “Credit Union”).

2. By reason of my duties and employment with the Credit Union, I have become familiar with the Credit Union’s policies and procedures and the records maintained by the Credit Union in the regular and ordinary course of business

relating to member accounts, including account opening documents, agreements, and disclosures.

3. I have reviewed the Credit Union's records kept in the regular and ordinary course of business with respect to Plaintiff.

4. On February 26, 2021, the Credit Union mailed a revised Member Handbook to Plaintiff at his address of record. That revision of the Member Handbook included an arbitration provision in the Membership and Account Agreement that is part of the Credit Union's current Membership and Account Agreement.

5. The Member Handbook was revised after it was provided to Plaintiff on February 26, 2021, but none of those revisions changed the arbitration provisions of the Membership and Account Agreement that was provided to Plaintiff on February 26, 2021.

6. The Member Handbook attached as Exhibit C to the Brief in Support of Defendant Consumers Credit Union's Motion to Compel Arbitration is a true and accurate copy of the Member Handbook that was mailed to Plaintiff on February 26, 2021.

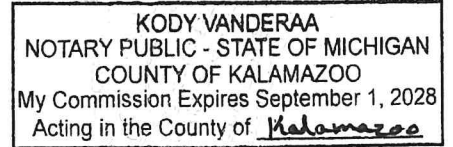
Further Affiant sayeth not.

Signed: 

Subscribed and sworn to before me

this 27<sup>th</sup> day of August, 2024

Kody Vanderaa  
\_\_\_\_\_, Notary Public  
State of Michigan, County of Kalamazoo  
My commission expires 9/1/2028  
Acting in the County of Kalamazoo



# EXHIBIT C





**Important Account Information Enclosed**



Dear Member,

Thank you for your continued membership with Consumers Credit Union. The following pages contain a revised version of the Membership and Account Agreement, which covers the rights and responsibilities concerning your accounts with us and is effective immediately. If you have any questions regarding the revised agreement, please contact the Member Service Center at 800.991.2221.

Thank you,

**Consumers Credit Union**



**consumers**  
credit union

# Member Handbook

CONSUMERS CREDIT UNION

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P.O. Box 525, Oshtemo, MI 49077-0525 | 800.991.2221 | [www.consumerscu.org](http://www.consumerscu.org)

## MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers the rights and responsibilities of both parties concerning accounts we offer. In this Agreement, the words "you" and "yours" mean anyone who signs a Membership and Account Application, Account Card, Account Update or Change Card, or similar document (collectively referred to as "Account Card"). The words "we," "us," and "our" mean Consumers Credit Union. The word "account" means any one or more share or other accounts you have with us. The word "savings" means any share account you have with us. The word "checking" means any share draft account you have with us.

This Agreement explains the rules governing your membership and accounts with us. It is supplemented by the other agreements that you enter into when you open your accounts, such as the Funds Availability Policy and the Electronic Funds Transfer Disclosures, and others. All your agreements and transactions with us are also governed by various applicable federal and state laws and regulations. It is the intent of this Agreement to provide disclosures that we are required by law to give you; to vary by agreement certain aspects of certain transactions that are permitted by law to be varied; and to establish terms and conditions of certain transactions that are not governed by any particular law or regulation.

By signing the Account Card and/or by continuing to use the accounts and services provided by us, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Account Card; the Rates and Fees Schedule; any Account Receipt or similar document; and Certificate, Certificate Summary or similar document; our Bylaws and policies; and any amendments to these documents from time to time which collectively govern your Accounts. All such documents are hereby incorporated by reference as if fully set forth herein.

**Suspension of electronic services and access to share or deposit accounts.** Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

### NOTICE OF ARBITRATION PROVISION

This Agreement contains an Arbitration Provision which provides that you or the Credit Union may elect to have all disputes resolved by **BINDING ARBITRATION INSTEAD OF IN COURT**.

You should read the Arbitration Provision below carefully. It provides, among other terms:

You **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this Agreement (**EXCEPT** for matters that may be taken to **SMALL CLAIMS COURT**).

Your rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury.

You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are **SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT**.

Arbitrator decisions are as enforceable as any court order and are subject to **VERY LIMITED REVIEW BY A COURT**.

**YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.**

### APPLYING FOR MEMBERSHIP AND OPENING ACCOUNTS

**Membership Eligibility; Application.** To open accounts at the Credit Union, you must qualify under our approved field of membership and otherwise meet the membership requirements. This includes an initial deposit of an amount equal to one share in the Credit Union, which amount is set forth on the Account Card, and maintaining at least that amount, in your primary savings account or other qualifying account. Your membership may terminate if you close this account. You agree to complete a Membership Application and you authorize us to check your account, credit, and employment history, and obtain reports from third parties (including credit reporting agencies) periodically to verify your eligibility for membership and the accounts and services you request.

The Credit Union is owned and controlled by its members. You become an owner by meeting the membership eligibility requirements and by depositing the required shares. Upon qualifying as a member and remaining in good standing, you have certain rights as governed by this Agreement, our By-laws, and applicable law, including the right to apply for Credit Union services and accounts and to vote in elections. You are entitled to one vote regardless of the number of shares you own. Shares may be issued in the name of an individual, jointly, or in other ways (e.g. in trust, or in the name of a minor) in accordance with our By-Laws and policies.

**Member Identification Program.** To help the government fight the funding of terrorism and money laundering activities, as well as to protect you from Identity Theft, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that we will require you to provide, and we will verify, certain information about you when opening an account, in accordance with the requirements of the USA Patriot Act and the Bank Secrecy Act. This will include producing a government-issued picture ID. We may also ask for picture ID, passwords, PINs, or other means of identification and authentication whenever you initiate any transaction with

us. We may refuse to open any account or to grant any request if you fail to provide adequate identifying or authenticating information, or we have a good-faith cause to believe that you are not the person you are purporting to be or are otherwise not authorized to open the account or initiate the transaction, and we will not be liable for any loss or expense you may incur due to our refusal. For identification purposes, we may also require you to provide your fingerprints at the time of account opening or at the time you negotiate certain checks.

You will also be required to provide a taxpayer identification number (TIN) or social security number, to be used for this purpose and for subsequent regulatory reporting. We may also request from time to time, and you agree to provide, additional documentation depending on the type of account or service requested. Failure to furnish a correct TIN or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may refuse or suspend opening your account.

**Consensual Pledge of Shares; Security Interest; Consensual Lien; Statutory Lien; Release of Lien; Right to Set-off; Administrative Freeze:** By signing the Account Card or any other deposit or loan agreement or similar document granting a pledge or security interest in your shares, and/or by accessing, using, or otherwise accepting any funds, accounts or services, you grant the Credit Union, and we impress, a lien on your shares in the Credit Union. You also grant the Credit Union a security interest in such accounts to secure payment of any deposit obligations you owe (e.g., overdrafts, fees, etc.) and any loan or credit card obligations you owe, as well as any expenses we incur in connection with your accounts and services, including reasonable attorney's fees and court costs. You acknowledge and agree that we also have similar statutory lien rights in your shares under the Federal Credit Union Act and/or applicable state law, as well as the common law right to set-off and administrative freeze. You agree that the Credit Union may, at any time without prior notice, make any corrective entries it deems, in its sole discretion to be appropriate, to your accounts without limitation.

"Shares" and "share accounts" means any and all funds, regardless of the source of those funds, in any joint or individual share savings account(s), share draft account(s), club, certificate, P.O.D, revocable trust or custodial account(s) or any other account whether jointly or individually held and whether your obligation under the account(s) is direct, indirect, contingent or secondary and whether held now or in the future. Your pledge and our lien rights do not include any IRA, Keogh or other account which would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest. Except as required by law, we will not release any lien on any collateral if you are delinquent, or in default on, any credit union account. For example, if you are in default on your line of credit, we will not release our lien on a vehicle title, even if the vehicle loan is current or paid in full.

You understand and agree that these rights allow us to apply the funds in your share accounts to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, and we can do so without any legal process, court proceeding or any notice to any owner of the share accounts affected hereunder or otherwise in this Agreement, unless applicable law so requires. **You specifically agree that we have the right to place an administrative freeze on any of your share accounts** subject to applicable law, and such action shall not violate 11 USC 362 or other applicable law. You understand that these rights are multiple and we can exercise one or all of them pursuant to applicable law. Exercising one right does not waive the right to exercise others. Any payment to any joint owner, beneficiary, or other party for any reason shall be subject to our security interest, consensual lien, and right to set-off.

**CROSS-COLLATERALIZATION:** Property and/or shares given as security under any deposit, loan, or credit card accounts or services you have with the Credit Union will secure any and all obligations under such accounts or services as well as any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent or secondary and arising from any loan or credit agreement, insufficient fund items; fees; cost, expenses, reasonable attorney's fees, or otherwise. This clause does not apply if such property is your primary residence, or are non-purchase money household goods.

**CREDIT CARD ACCOUNTS:** IF YOU HAVE A CREDIT CARD ACCOUNT WITH THE CREDIT UNION, YOU SPECIALLY AGREE THAT THE SECURITY INTEREST, CONSENSUAL LIEN, AND CROSS-COLLATERALIZATION CLAUSES ALSO APPLY TO THAT CREDIT CARD AND THAT GRANTING THESE RIGHTS TO US IS A CONDITION OF OBTAINING THE CREDIT CARD ACCOUNT.

### TYPES AND OWNERSHIP OF ACCOUNTS

We offer a variety of deposit and transaction accounts for which you may apply, including savings, checking, and money market accounts which have no particular term or maturity date associated with them; and Certificate of Deposit Accounts, which must be maintained for a particular amount of time. Requirements of the accounts such as term, minimum opening deposit or minimum balance requirements, fees, and penalties are set forth in detail in your Truth-in-Savings Disclosure; Rates and Fees Schedule; this Agreement; and other agreements that you may have with us. Ownership of the accounts may be held in a number of ways, such as individually, jointly, in trust, etc. Your account type(s) are designated on your Account Card, if established at account opening, or on our system, if established later. Your ownership features are designated on your Account Card.

Not all accounts or services may be offered at any given time. We may occasionally offer enhancements or additional benefits to certain accounts or services such as purchase awards or travel accident insurance or other features at no additional cost to you. These features are offered solely at our discretion and can be changed or discontinued at any time with no prior notice to you.

The following describes the types of accounts that are generally available at the Credit Union. All accounts may not be offered or available at any given time.

**Savings, Checking, and Money Market Accounts:** You may open and close one or more share or savings accounts, checking accounts, or money market accounts, and may periodically deposit and withdraw available funds from those accounts via access methods made available to you from time to time, including, but not limited to, share draft/checks, checkcards or debit cards; telephone; in person; on-line banking or internet; and electronic funds transfers ("EFTs") such as ACH, direct deposit, wire transfers, or preauthorized transfers. All transactions are subject to and in accordance with this Agreement and all other agreements you have with us, including, but not limited to, the Funds Availability Policy; Truth-in-Savings Disclosure; Rates and Fees Schedule; EFT Agreement and Disclosures; and Wire Transfer Agreement.

**Certificate of Deposit Accounts:** Certificate of Deposit accounts have stated Maturity Dates, and funds in those accounts are subject to penalty if withdrawn prior to the Maturity Date. Exact terms of the particular account such as Maturity Date; Annual Percentage Yield; early withdrawal penalty fees; whether the account automatically renews; and other information will be provided at the time you open the account. If you maintain sufficient funds in the account for the full term in accordance with your Agreements, at the end of the term we will pay you the principal amount you deposited, plus dividends or interest on account earnings in accordance with this Agreement. If you withdraw all or part of your funds from this type of account before the certificate account matures, we will charge you an early withdrawal penalty. That penalty is generally deducted from the interest that has accrued on the account but may be deducted from the principal, particularly if a sufficient amount of interest to pay the penalty has not accrued. We may at our sole discretion grant you permission to withdraw funds early; if such permission is granted, it will be granted only at the time you request an early withdrawal.

Unless otherwise stated when you open the account, an automatically renewing account shall renew at each maturity date for a period of time equal to the original term and on the same conditions as the original account. The interest or dividend rate applicable to the renewal term shall be that rate that is applicable to new account on like terms in effect at the time the account renews. You can prevent an automatic renewal by providing us written instructions to the contrary or withdrawing funds on or within 10 days after the maturity date. If funds are withdrawn within 10 days after the maturity date, no penalty will be assessed. We may call an automatically renewing account for payment at the end of the original term or any renewing term, and any interest or dividends added to it for compounding will stop earning interest or dividends on the effective date of the call.

If the account is not automatically renewing, no interest or dividends will be earned after the stated maturity date. We will send you a notice on or before the maturity date of your account(s) advising you of the upcoming maturity date and the options available to you.

**Club Accounts.** Club accounts are deposit accounts that help you save for holidays, vacations, or other special purposes. At the end of the club period, the funds in the club account will be automatically transferred to the account that you designate. Automatic payments may be required during the period and there may be fees for withdrawing funds during the club period. Details will be disclosed on the Rates and Fees Schedule.

**IRA/SEP and Coverdell Education Savings Accounts.** IRA accounts are individual retirement accounts and Coverdell ESA accounts are used to save for your child's college education. These accounts may be in the form of certificates of deposit, money market accounts, or other type of account. There may be restrictions on contributions, withdrawals, and other features of the accounts according to Federal law and guidelines. Funds may be tax deductible and/or tax-deferred. We do not provide tax advice; you should consult with a qualified tax advisor regarding any funds you may have in these accounts. You may be required to sign a separate agreement upon opening these accounts.

**Interest- or Dividend-Bearing Accounts.** Some of the accounts available earn interest or dividends while others do not. If the account is an interest- or dividend-bearing account, disclosures and terms regarding accrual, crediting, and compounding will be provided in the Rates and Fees Schedule or similar document at the time you open your account.

The following describes the types of ownership by which an account may be held.

**Individual Accounts.** An individual or single-party account is an account owned by one person or entity qualified for Credit Union membership. With respect to consumer accounts, if the account owner dies, the owner's interest passes, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary or trust beneficiary, subject to other provisions of this Agreement and applicable law.

**Joint or Multiple Party Accounts.** An account owned by two or more persons is a multiple party account. Unless your Account Card specifically states otherwise, multiple party accounts are held in joint tenancy with the right of survivorship. This means that you intend and agree that the balance in the account, upon the death of any party to the account, shall belong to the surviving owner(s). A surviving owner's interest is subject to our statutory lien rights, consensual lien rights, the right of set-off, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

We reserve the right to require all owners to sign the Account Card. Any and each owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer funds into or out of the account, block or terminate any service or access device, or pledge to us all or any part of the shares without the consent or knowledge of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may act on any or none of the instructions or, alternatively, we may suspend or terminate the account and require a court order or written consent from all owners to act. One owner may not remove another owner.

Ownership rights and disputes involving the funds in your accounts are subject to your agreements with us, and applicable state or federal law. We shall not be liable to any owner if we in good faith act upon a valid court order from a court of competent jurisdiction. We will also not be liable if we in good faith refuse to act upon a court order or any instruction from any owner. All owners will be jointly and severally liable for any and all expenses, fees and costs, including reasonable attorney's fees and costs, that we incur, in connection with any dispute regarding the account, regardless of whether the dispute is initiated by an owner or third party. By signing the Account Card, each of you authorizes us to take these expenses from any of your account(s) without prior notice to you.

If a deposited item in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, all owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any fees or expenses that we incur, including reasonable attorney's fees, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or against all funds in the multiple party account.



regardless of who contributed them and to what extent. Please see the "Your Liability for Overdrafts" section for important information concerning overdrafts.

**Payable on Death (POD) Accounts.** A Payable on Death (POD) account is an instruction to us that a single or multiple party account so designated is payable to the owner(s) during their lifetimes and, when the last account owner dies, is payable to any named, living POD beneficiary. If more than one POD beneficiary is designated on the Account Card, the total percentage for all beneficiaries must add up to 100%. If the total percentage does not equal 100%, the percentages will be adjusted pro-rata among designated POD beneficiaries to 100%. If no percentage is indicated, designated beneficiaries will share equally. If a designated beneficiary predeceases the last account owner and the POD designation is not amended by the account owner(s), the POD percentages will be adjusted pro-rata among the living beneficiaries. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs), which accounts are governed by a separate account agreement and beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary interest in any account, except as otherwise provided by law. Any owner may change any beneficiary designation upon written notice to us, on a form approved by us.

**Accounts for Minors.** We reserve the right to require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or other amounts owing on such account. We may require the minor to sign the Account Card if she is so capable; otherwise, the adult shall sign the Account Card on behalf of the minor, as well as in his own capacity. We may pay funds directly to the minor without regard to her age. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. Upon the primary owner of the account reaching the age of 18, the account will convert to a non-youth account. This may subject the account to additional fees or share requirements not applicable on the minor account.

**Agency, Trust, or other Custodial Accounts.** We may, at our discretion, open accounts pursuant to any court order, trust agreement, or similar authority in accordance with your desire to establish an account for a trust, probate, custodial, or other fiduciary purpose. Because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. The person acting as agent, guardian, custodian, personal representative, trustee or other fiduciary capacity shall be designated as such on the Account Card. Such designation is an instruction to us that the account owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. For these accounts, you appoint the designated representative listed on the Account Card as your attorney-in-fact to deposit or withdraw funds held in the designated account(s). Your agent has no ownership interest in the account(s) or voting rights in the Credit Union. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative.

If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection.

**Commercial or Business Accounts:** Accounts held in the name of a business entity, organization, or member for business or commercial purposes are subject to the terms of this Agreement, unless a separate Business Account Agreement or similar document has been signed. Such accounts are also subject to the following terms: You must provide us additional documentation acceptable to us appointing those individuals who are authorized on behalf of the entity to open accounts and transact business. Any changes to such authorization must be made in writing in a form acceptable to us, and we will not be liable for any actions taken before we are provided with such acceptable written notice of any change in authorization(s). We reserve the right to require that third party checks payable to an entity be deposited into a business account rather than being cashed. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative, and will have no notice of any wrongdoing unless and until we are informed in writing of such wrongdoing.

## TRANSFERS OR DEPOSITS TO YOUR ACCOUNT(S)

**Deposit and Collection of Items.** You may make deposits to any account, in any manner approved by us including, but not limited to, in person, by mail, by electronic transfer, direct deposit, or any other method made available, such as by night deposit box or Automated Teller Machine (ATM). We are not responsible for any deposit made by mail or through a depository not staffed by us until we actually receive the item. If you make a deposit at a night deposit box after 8:00 a.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open. If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. All transactions are subject to our Funds Availability Policy and related applicable laws.

**Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization we will continue making direct deposits in accordance with your authorization on file with us. If your account is overdrawn, you consent and expressly agree that we may deduct the amount your account is overdrawn and related fees from any deposit, including deposits of government payments or benefits, to the maximum extent permitted by applicable state and federal law. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

**Crediting of Deposits.** Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

**Liability.** In receiving and processing items for deposit or collection, we act only as your collection agent and we assume no responsibility beyond our obligations of good faith and ordinary care. We exercise ordinary care if our actions or inactions are consistent with applicable

state law, Federal Reserve regulations and operating letters, clearinghouse rules, and/or general banking practices followed in the area we serve. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection and any items and their proceeds will be handled in accordance with applicable Federal Reserve and Clearing House rules and other applicable law.

If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient available funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential or special damages, except liability for wrongful dishonor. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict will be resolved by reference to this Agreement.

**Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts even if they are not endorsed by all payees. If you fail to properly indorse an item, you authorize us to supply any missing endorsement, but we are not required to do so. We may require that certain government checks, insurance company items, or other check or draft be personally indorsed by each and all payees. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the trailing edge, although we may accept endorsements outside this space. You agree to reimburse us for any loss or expense we incur resulting from an irregular endorsement or other markings by you or any prior endorser.

**Charge-back; right of set-off.** All items including checks, Automated Clearing House (ACH) transfers or other transfers credited to your account are provisional until we receive final payment. We may charge-back, or debit, your account for the amount of such items under the following circumstances: (1) if final payment is not received; or (2) if, within the normal handling period for such item, the item cannot be honored against the drawer's account; or (3) if a deposited item is returned to us by the financial institution on which it is drawn, even if that financial institution failed to return the item before its midnight deadline; or (4) any other circumstances allowed by law. We may charge-back your account regardless of whether the other financial institution returned the item before its midnight deadline. You further authorize us to pursue collection of previously dishonored items, and you acknowledge that this may permit the payor bank to hold an item beyond the midnight deadline. When charging-back your account, we may also charge your account with a return item charge and any collection fees or expenses, including reasonable attorney's fees and costs. You acknowledge and agree that we may charge-back your account even if it causes your account to have insufficient available funds, and you agree to replenish the funds in your account and to pay any and all overdraft, return, or non-sufficient funds fees and charges. You specifically agree that we may exercise our security interest and right of set-off against any other deposit accounts that you have with us to recover any of these amounts. Please see the "Your Liability For Overdrafts" section for important information regarding overdrafts.

**Foreign banks.** We reserve the right to refuse or return any item or funds transfer. Items drawn on an institution located outside the United States are handled on a collection basis only.

**Waiver of notice.** You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.

### TRANSFERS OR WITHDRAWALS FROM YOUR ACCOUNT(S)

**Account Access; Honoring Items; Limitations.** You may withdraw or transfer available funds from your account(s) in any manner we permit (e.g., by writing a check; using a debit card at point-of-sale or at an automated teller machine; in person; by mail; by automatic or preauthorized transfer, ACH, wire transfer or other electronic transfer; by telephone or on-line banking or bill pay services, or other means made available to you). If the transaction request is made by remote means such as telephone, we are not responsible for any request or order that we believe to be genuine; we can also refuse to honor such request or order if we in good faith do not believe it to be genuine or have reason to doubt the identity or authentication of the requestor. Your ability to transfer funds from your account is always subject to having sufficient available funds in the account(s) and is subject to this and the other agreements you have with us, including, but not limited to, the Funds Availability Policy. Except as may otherwise be required by law, you authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

We may honor any item or instruction even if it creates an overdraft or insufficient available balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us. We may return as unpaid any item drawn on a form we do not provide or approve, and you are responsible for any loss we incur handling such an item.

To process certain electronic transactions, we may place a temporary hold on your funds which may be for 36 hours or more. We have no control over the other parties to the transactions or the commercial networks used in facilitating the transactions. It is your responsibility to make sure you have sufficient available funds in your accounts to cover all transactions, regardless of when those transactions may clear. Please see the "Your Liability for Overdrafts" section for important information concerning overdrafts.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly. For example: (1) a legal garnishment or attachment is served; (2) the account secures any obligation to us; (3) required documentation has not been presented; (4) you fail to make payments on a loan that you have with us; or (5) any other reason allowed by applicable law. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

**Authorized Signature; Facsimile Signature Device; Forged Checks.** Your signature on the Account Card is your authorized signature for account access to and from your account(s). We are authorized to recognize this signature for the payment or transfer of funds, payment instructions, or other purposes relating to your account(s) but we may also allow transfers even without your signature. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. However, we are not required to check the signature for



authenticity and you agree that failure to do so does not constitute failure on our part to exercise ordinary care. You may also authorize the use of a facsimile signature device and, if you have done so, we may honor any draft or other item that appears to bear your facsimile signature even if it was made by an unauthorized person, and we will not be liable for any issues arising from such honor. You are responsible for the use and safeguarding of the facsimile signature device, your checks, and your access codes and as such, you specifically agree that you are in the best position to determine whether your facsimile signature has been used without your consent, or a counterfeit facsimile signature device has been used, or your signature has been forged. Therefore you are required to make a good-faith effort to review any and all statements and items or checks returned to you or made available to you for any unauthorized use of your electronic, mechanical, or facsimile signature. Except as may otherwise be required by law, we will not be liable if we honor an item that appears to be authorized by your signature, and you will reimburse us for any loss or costs (including reasonable attorney's fees and costs) that we incur because the signature was used without your consent or because a counterfeit signature device was used. Nothing in this provision shall be construed to relieve us of our obligations to act in good faith and to exercise ordinary care.

**Automated Processing of Items.** You acknowledge and agree that we have adopted automated collection and payment procedures which are standard and reasonable in the industry and that we are under no duty or obligation to examine each item presented for payment. You agree that in paying an item, we may disregard all information on the item except that which has been encoded onto the item in magnetic ink, such as identity of drawee bank and amount of the item, even if that information is inconsistent with other information printed or written on the item. You also agree to reimburse us for any loss or costs (including reasonable attorney's fees), that we incur because the item contained such extra information.

**Stale and Post-Dated Items.** We maintain the option to pay or dishonor any stale draft or check (i.e., more than six months old) upon presentation. You agree that we are not liable to you for charging your account before the indicated date on a properly payable but post-dated check unless you notify us that you have issued a post-dated draft. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice, and it must provide the number of the check, its date, the name of the payee, the exact amount, and the account number on which it is drawn. You understand that the exact information is necessary for us to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make a verbal notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date.

**Non-Member Check Cashing.** When issuing checks under this agreement, you acknowledge that the Credit Union may charge the payee of your check for non-member check cashing services at any of our locations. Refer to the Rates and Fees Schedule for additional information.

**Stop Payment Orders.** You may request a stop payment order on any check or other written instrument drawn on your account that has not been paid or certified. Except as may otherwise be required by law, you may call us to request a stop payment, but to be binding, we may require that the order be dated, signed, and describe the account number, item number, and the exact amount of the item. The stop payment order will be effective if we receive the order in time for us to act upon the order. You understand that the exact information is necessary for our computer system to identify the item. If you give us incorrect or incomplete information, or the stop payment order is not received in time for us to act upon it, we will not be responsible for failing to stop payment on the item and we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

A verbal stop payment order is valid for only 14 days, unless we receive a written confirmation thereof. A written stop payment order on a check that is not converted to an ACH transaction is valid for only six months unless it is renewed by you. For all other transactions, stop payment orders do not expire.

Fees for stop payment orders will be imposed and are set forth on the Rates and Fees Schedule. You may not stop payment on any certified check, cashier's check, teller's check, official check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold us harmless from all costs, including reasonable attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**ACH and Wire Transfers.** This provision applies to funds transfers as defined in Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System. (e.g., wire transfers). You authorize us to transfer funds according to your instructions ("payment order") to and from your designated account(s), or to and from another financial institution. You also authorize us to charge your account for any related fees or service charges. We may require that transfers follow certain security procedures. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When processing a payment order, payment may be made based solely on the account number provided in the payment order, even if that account number identifies a beneficiary other than the one that you name in the payment order. Similarly, if the payment order identifies the name, routing number and transit number of the beneficiary's financial institution, payment may be made solely on the basis of the routing and transit number, even if those numbers do not correspond to the name of the financial institution that you supplied. You agree that your obligation to pay the wire transfer is not affected if the identifying numbers do not match the named beneficiary or financial institution. You are also responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided. We may also pay wire transfers received by us for your benefit based solely on the account number. We may refuse to accept or

execute any payment order, or an amendment or cancellation thereof, and we shall be deemed to have accepted a payment order or its amendment or cancellation only upon execution thereof. We may reject or refuse to accept or execute a payment order if (1) the designated account(s) does not contain sufficient available or collected funds; (2) the account number that you provide on the payment order does not correspond to any known account with us; (3) the payment order is not authorized or does not comply with applicable security procedures; (4) we are prohibited from doing so due to applicable law; or (5) we have a good-faith, reasonable cause for rejecting the payment order. All transfers shall be shown on your periodic account statement and reflection on the statement shall constitute notice of receipt of the transfer. You may inquire whether a specific transfer has been received at any time during our normal business hours and/or by any means that we provide you for making inquiries on your accounts. We are not responsible for any transmission performance failure as a result of interruption in transfer facilities; power failures; equipment malfunctions; labor disputes; emergency conditions; fire, flood, or other natural disasters; war or terrorist attack; or other circumstances beyond our control. We are also not responsible for transfer failures due to suspension of payment by another party, or refusal or delay by another financial institution to accept the transfer, or if we are prohibited from performing under any applicable law. We shall not be liable for any special, indirect, consequential or punitive damages arising from any failure or delay in processing a payment order or related obligation. In no case shall we pay attorney's fees or other legal expenses incurred in connection herewith. If we become obligated under Article 4A to pay interest to you, you agree that the rate of interest to be paid shall be equal to the interest rate, on a daily basis, applicable to the account to which the funds transfer was made. If you send an international wire transfer that identifies a beneficiary bank located outside of the United States, you agree that we do not guarantee the receipt or timely processing of the funds on the part of the foreign beneficiary bank. At the time of the international transfer request, you will receive a receipt and disclosures regarding the transfer, including your rights regarding cancellation and resolution of errors, in accordance with Regulation E. By sending an international wire transfer, you understand that we have no control over how or when the funds are received or processed by the foreign beneficiary bank and that it could take up to one month or longer for the wired funds to be processed by the foreign beneficiary bank. Therefore, except as otherwise provided in Regulation E, (a) you understand and acknowledge that by sending an international wire transfer according to the financial institution and account information you provide us, you accept all risk associated with your wire transfer request; and (b) we will not be held liable or responsible to refund you any of the funds or costs associated with executing your request where the funds you sent were lost, destroyed, not processed, or not received by the foreign beneficiary bank. You further acknowledge that we are prohibited from processing and executing requests where the federal government has enforced economic and trade sanctions against named foreign countries, or where the federal government has prohibited us from doing business with named financial institutions.

#### **YOUR LIABILITY FOR OVERDRAFTS**

**PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS "YOUR LIABILITY FOR OVERDRAFTS" SECTION, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 1-800-991-2221, OR VISIT ANY BRANCH.**

#### **A. GENERAL.**

1. **What Does it Mean to Overdraw Your Account?** "Overdrawing" your account means that there are not sufficient available funds (as described in Section B below) in your account to pay for a transaction, resulting in a negative or "overdrawn" balance. Some transactions that can result in an overdraft in your account include, but are not limited to:
  - the payment of checks, electronic fund transfers, telephone-initiated transactions, preauthorized payments under our Bill Payment Service, debit card transactions, or other withdrawal requests authorized by you;
  - the return (unpaid) of items deposited by you;
  - the assessment of service charges by us; or
  - the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.
2. **What Happens if the Credit Union Refuses to Pay the Item?** If you overdraw your account, we may return the item unpaid, commonly known as a return for "non-sufficient funds" or "NSF". It is important to understand that the Credit Union has no control over how many times an intended payee will resubmit an item to us for payment. When we return an item unpaid, we will assess you an NSF Fee. If the intended payee resubmits the item and we pay the item using Overdraft Transfer or Courtesy Pay, we will assess you a Overdraft Transfer Fee or Courtesy Pay fee, as applicable. There is no limit on the number of NSF Fees we may assess against your account. NSF items are described in more detail in Section D.
3. **What Happens if the Credit Union Pays the Item?** If you overdraw your account and we pay the item, we may do so in one of two ways:
  - through standard overdraft practices that come with your account, which we call "Courtesy Pay"; or
  - through an overdraft protection plan, which we call "Overdraft Transfer Service"

You can elect to decline either of these services at any time, which may result in your transactions being declined for non-sufficient funds if the available balance in your account is insufficient to pay for your transaction.

The Credit Union also offers a line of credit for qualifying members. This Overdraft Policy describes only our Courtesy Pay and Overdraft Transfer Services. If you have questions regarding applying for a line of credit, please contact the Credit Union for additional information.

4. **Your Obligation to Keep Records of Your Transactions.** While we provide Courtesy Pay and the Overdraft Transfer Service for your convenience and as a way to help you avoid overdrafts, NSF transactions, and associated fees, you are responsible for keeping track of the funds in your account that are available for you to use before you write a check, preauthorize a payment under our Bill Payment service, authorize an ACH transaction, make a cash withdrawal at an ATM, or use your debit card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions. **It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments), as your available balance (discussed in more detail below) may not reflect these transactions until they are paid from your account.**

## B. YOUR AVAILABLE BALANCE.

1. **Actual Balance Versus Available Balance.** Your checking account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how these two balances work so that you know how much money is available to you in your account at any given time. This section explains actual and available balances and how they work.
2. **Your “Actual Balance”.** Your “actual” balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered “available” for transactions on your account. The actual balance is also sometimes referred to as your “ledger balance”. Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:
  - assume you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. Though your actual balance is \$50, you have already spent \$40.
3. **Your “Available Balance”.** Your available balance is the amount of money in your account that is available to you to use without incurring a fee. The available balance takes into account factors such as holds placed on deposits and pending transactions, like pending debit card purchases, that the Credit Union has *authorized*, but that have not yet *posted or settled* to your account. For example:
  - assume you have an actual balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). If the merchant requests preauthorization in the amount of \$20, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance will still be \$50 because this transaction has not yet posted, but your available balance will be \$30 because of the restaurant’s \$20 preauthorization request. When the merchant submits its bill for payment (which could be days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your actual balance will be reduced by the amount of the posted transaction.
4. **Your Available Balance and Non-Debit Card Transactions.** For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your available balance at the time a transaction posts to determine whether your account is overdrawn and whether a fee will be assessed. For information on your available balance works with respect to debit card transactions, please see Section C.

## C. AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS.

1. **What is an Authorization Hold?** When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day.
2. **How Does an Authorization Hold Affect Your Available Balance?** Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. We have no control over when a merchant may present an item for payment. Merchant payment requests are received in real time throughout the day and are posted to your account as they are received.
3. **The Amount of an Authorization Hold May Differ From the Amount of the Actual Transaction.** The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is authorized before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or a gas station. For these types of transactions, there may be no authorization

hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

4. **Length of an Authorization Hold.** We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account, which will decrease your available balance. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

5. **Your Available Balance and Debit Card Transactions.** Everyday debit card transactions are processed against your account at two different times: first, when the transaction is authorized, and again when the transaction actually settles to your account, usually days later. This delay between the time a particular transaction is authorized and when it actually settles to your account is solely within the control of the merchant and its processor. The Credit Union has no control with respect to the time period that elapses between the time a merchant seeks authorization and finally submits the transaction for settlement.

For debit card transactions, we use your available balance at the time a transaction is authorized and again when the transaction settles to your account to determine if each specific transaction will overdraw your account and whether a fee will be assessed. It is important to remember that your available balance may not reflect all of your transactions.

When the Credit Union authorizes an everyday debit transaction, the amount of the transaction is subject to a preauthorization hold. This means that the amount of the transaction is subtracted from your actual balance. It is important to understand that even if you have sufficient available funds in your account at the time the transaction is authorized, it is possible that the settlement of the transaction may result in an overdraft to your account, and the incurring of a fee. The two most common scenarios are as follows:

- **Example 1: Purchase transactions where the final amount is initially unknown.** The most common examples of a purchase transaction where the final amount is initially unknown are gas station purchases, restaurant charges, hotel and car reservations. In such cases the transaction will be communicated to the Credit Union for authorization in one amount, but when the transaction actually settles your Account it does so for a greater amount. For example, if you use your debit card to pay at the pump for a gasoline purchase, you typically must utilize your debit card before operating the pump. The Credit Union may receive an authorization request in the amount of \$15.00. At the time of the authorization request, the available balance in your account is \$30.00, so the Credit Union approves the authorization request, and the available balance in your account is reduced to \$15.00. You proceed with the transaction, and purchase gasoline totaling \$40.00. When that transaction actually settles to your Account in the amount of \$40.00 as opposed to the \$15.00 that was authorized, the available balance in your Account is not sufficient to cover the settlement of the preauthorized transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an overdraft, and you will incur a fee (assuming you have opted into the Credit Union's payment of overdrafts for everyday debit transactions).
- **Example 2: Purchase transactions where intervening items paid between authorization and settlement result in the overdrafting of your Account.** Assume the same gas station scenario as described in Example 1, except that you purchase gasoline totaling just \$15.00, so the authorized amount of the transaction is the same as the settlement amount of the transaction. However, between the day the transaction was authorized and the day the transaction settles to your account, a check you wrote in the amount of \$35.00 is presented for payment. The available balance in your account at the time of presentment is \$15.00, but the Credit Union pays the item in accordance its Courtesy Pay service, resulting in an overdraft. When the \$15.00 gas station transaction actually settles to your account, the available balance in your account is not sufficient to cover the settlement of the preauthorized transaction, even though the settlement amount of the transaction is the same as the preauthorized amount of the transaction. Accordingly, the Credit Union's payment of the preauthorized transaction results in an additional overdraft, and you will incur a fee (assuming you have opted into the Credit Union's payment of overdrafts for everyday debit transactions).

For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction is authorized and again at settlement to determine whether the transaction will result in an overdraft and a fee.

If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request. You will not



be charged a Courtesy Pay fee in connection with the transaction unless your available balance is insufficient to cover the transaction when it posts to your account, and you have opted into Courtesy Pay for everyday debit transactions.

If your available balance is *insufficient* to pay the preauthorization amount requested by a merchant, and you have *not* opted into Courtesy Pay for payment of everyday debit transactions, we will decline the request.

If your available balance is *insufficient* to cover a merchant's authorization request, and you *have* opted into Courtesy Pay for everyday debit transactions, we may choose to approve the authorization request. If we choose to authorize the transaction using Courtesy Pay, we will charge a Courtesy Pay Fee on that transaction when it posts only if at the time of posting your available balance remains insufficient to cover the settlement of the transaction. If your available balance is sufficient to cover the transaction at the time posting, we will not charge you a Courtesy Pay Fee, even though your available balance was insufficient to cover the transaction at authorization.

Note that transactions authorized with a merchant as recurring debit card transactions may be covered by Courtesy Pay regardless of whether you have opted into Courtesy Pay for the payment of everyday debit card transactions.

#### D. PAYMENT OF OVERDRAFTS.

1. **The Credit Union Has No Obligation to Pay Your Overdrafts.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.
2. **Fees Associated with Overdrawing Your Account – Courtesy Pay Fees.** We assess a fee each time an item is presented for payment that we either pay, resulting in an overdraft, or which we decline pay because payment of the item would result in an overdraft had we paid it. If we pay an item in accordance with Courtesy Pay, we will charge you a Courtesy Pay Fee. There is no limit on the total fees we can charge you for overdrafting your account.
3. **Fees Associated with Overdrawing Your Account – Overdraft Transfer Service.** There are fees associated with using our Overdraft Transfer Service. These fees may be less expensive than Courtesy Pay Fees or NSF Fees. If we pay an item in accordance with our Overdraft Transfer Service, we will charge you an Overdraft Transfer Fee. There is no limit to the total fees we can charge you for overdrafting your account.
4. **Fees Associated with Overdrawing Your Account – NSF Fees.** If we do not pay an item, we will return the item and charge you a NSF Fee. We have no control over the number of times an intended payee may resubmit the same item to us for payment. If an intended pay resubmits the same item to us and we pay the item using Overdraft Transfer or Courtesy Pay, we will charge you an Overdraft Transfer Fee or Courtesy Pay Fee, as applicable. There is no limit on the total fees we can charge you for overdrafting your account.
5. **Rates and Fees Schedule.** Please refer to the Rates and Fees Schedule for a current listing of all fees associated with overdrawing your account.
6. **YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT AVAILABLE FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.** This is because your available balance may not reflect all of the outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. For example, you may have written a check that is still outstanding because it has not been submitted for payment by the payee. That check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. We have no control over when a merchant submits an item for payment. For example, if a merchant obtains our prior authorization but does not submit an everyday debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions including, but not limited to, car rental transactions and international transactions), we are required to release the authorization hold on the transaction. Your available balance will not reflect this transaction once the hold has been released. Please refer to the section entitled "Authorization Holds for Debit Card Transactions" for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Please refer to the Funds Availability Disclosure for information regarding the availability of your deposits for withdrawal.

#### E. HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT.

There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money is available to you at any given time. This section explains generally how and when we post transactions to your account.

When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what are referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (checks, ACH transactions, or ATM/POS transactions). It is common for each of these presentment files to contain multiple items to be processed against your particular account. When multiple items are received at the same time, the items will be paid as follows:

- Checks are paid in ascending order from lowest to highest
- ACH items in each presentment file post credits first in ascending order from lowest to highest, then debits in ascending order from lowest to highest (we receive multiple ACH presentment files each day)
- ATM/POS items are paid in the order they are presented.
- Transactions performed in person, such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed.

The order in which items are paid is important if your account does not contain sufficient available funds to pay all of the items that are presented. If an item is presented for payment and your available balance is insufficient to pay it, we may, at our discretion, automatically transfer available funds from your designated account pursuant to the Overdraft Transfer Service, pay the item pursuant to Courtesy Pay, or return the item (NSF).

Please understand that the above information is only a general description of how certain types of transactions are posted. These practices may change, and the Credit Union specifically reserves the right to pay items in any order, as permitted by law.

## F. OVERDRAFT PROTECTION PLAN – OVERDRAFT TRANSFER SERVICE.

1. **Overdraft Transfer Service.** We offer an overdraft protection plan that we refer to as our “Overdraft Transfer Service” where funds from a linked account are used for overdraft protection. We will look first to this service for overdraft protection before applying our discretionary Courtesy Pay Overdraft Service when your account is overdrawn. The Overdraft Transfer Service may save you money on the total fees you pay us for overdraft protection. With this service, you authorize us to make transfers of available funds automatically from your linked account, plus the overdraft transfer fees, to cover overdrafts in your checking account. Overdrafts paid pursuant to the Overdraft Transfer Service are subject to a per-item Overdraft Transfer Fee as set forth in the Rates and Fees Schedule.

If you are not eligible for Courtesy Pay, and there are insufficient available funds in your checking account to pay an item, your item will not be paid unless it was a previously authorized everyday debit card transaction. The items will be returned, and an NSF fee will be charged. Transfers will appear on your periodic statements for each applicable account.

2. **Limits on Overdraft Transfer Service.** The Overdraft Transfer Service will transfer funds in increments of \$20. If your designated linked account has an available balance of less than \$20, or if the available balance is insufficient to cover the full amount of the overdraft transaction plus the Overdraft Transfer Fee(s), we will not initiate the transfer. We will not transfer more than the available account balance in a designated linked account if the amount of the overdraft and related fee(s) exceed the available amount. If the available balance in a designated linked account is not enough to pay the full amount of all of the transaction(s) you have initiated on any day plus the Overdraft Transfer Fee(s), we will transfer up to the available balance to pay one or more transactions, plus the applicable fee for each item. Any transactions that are not paid by the transfer will either be paid through our Courtesy Pay Service or returned, and Overdraft Transfer Fees, Courtesy Pay Fees, and/or NSF Fees, as applicable, will be assessed.

The following example illustrates how this works if you have elected **both** Overdraft Transfer Service and Courtesy Pay Overdraft Service:

Assume your actual and available balances in your checking account are both \$50, and your available balance in your savings account is \$10. You write a check for \$80. When the check is presented for payment, because you don't have \$80 available in your checking account or regular savings account, the item cannot be fully paid using the Overdraft Transfer Service from the regular savings account. However, if you have also elected Courtesy Pay, we may elect to pay the item using Courtesy Pay. In such case, you will be assessed a Courtesy Pay Fee.

However, because Courtesy Pay is a discretionary service, we may instead elect to decline to pay the transaction. If we decline to pay the transaction, we will not transfer any funds from your linked savings account, we will decline the transaction, and we will assess you an NSF Fee. It is important to remember that we have no control over how many times an intended payee may present the same item for payment. If an item previously returned NSF is submitted to us again, and on the subsequent presentment we pay the item utilizing Courtesy Pay, you will be assessed a Courtesy Pay, in addition to the previous NSF Fee you were charged for that item.

3. **We May Return Items Unpaid.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related NSF Fee as stated in our Fee Schedule. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee.

4. **Termination of Overdraft Transfer Service.** We may terminate the Overdraft Transfer Service at any time with or without notice to you. Any owner of the checking account or any owner of a linked account used for overdraft protection may decline the Overdraft Transfer Service. To terminate the Overdraft Transfer Service: (1) call us at 1-800-991-2221; (2) visit any branch and speak with a Representative; or (3) mail notice of your decision to decline the Overdraft Transfer Service to P.O. Box 525, Oshtemo, MI 49077. Your election to decline will be effective after we have received notice and have had a reasonable time to act on it.

## G. COURTESY PAY OVERDRAFT SERVICE

1. **Courtesy Pay.** In accordance with our commitment to provide valued service and benefits, we may, if you qualify, at our discretion, pay overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your limit, which is determined by us in our sole and absolute discretion. Limits range from \$100 to \$1,500, and may change from time to time based upon your specific account activity and other risk factors. If you believe an overdraft situation is likely, you should ask us for your specific limit. Courtesy Pay is different than the Overdraft Transfer Service. Courtesy Pay is a backup to the Overdraft Transfer Service and will only be activated if funds are not available from the Overdraft Transfer Service.
2. **What Overdraft Transactions are Covered?** Courtesy Pay is available for the payment of checks, preauthorized payments under our Bill Payment Service, ACH drafts, and recurring debit transactions. Courtesy Pay is also available for everyday debit card transactions, if you opt-in, as described in the next section below.
3. **Optional Overdraft Transactions.** The following types of transactions require you to "opt in" (in other words, you must provide us with your affirmative consent) if you would like to include them in Courtesy Pay. Choosing not to opt in may result in these transactions being declined:
- ATM transactions
  - Everyday Debit Card transactions

We do not require you to authorize Courtesy Pay for your ATM and everyday debit card transactions as a condition of us providing Courtesy Pay to you for your checks, ACH transactions or other transactions. If you want the Credit Union to authorize and pay overdrafts for ATM and everyday debit card transactions through Courtesy Pay, you must provide us with your consent by: (1) calling us at 1-800-991-2221; (2) visiting any branch and speaking with a Representative; or (3) mailing notice of your decision to opt in to Courtesy Pay for ATM and everyday debit card transactions to P.O. Box 525, Oshtemo, MI 49077.

4. **Eligibility for Courtesy Pay.** Courtesy Pay is not a credit product. It is a feature that is automatically included with eligible checking accounts (unless you decline Courtesy Pay entirely as described below or information we get from a consumer reporting agency does not meet Credit Union standards). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Courtesy Pay may be available for checking accounts for which the primary checking account owner is 18 years of age or older. We reserve the right to limit Courtesy Pay to one (1) account per household or member. We may suspend or permanently revoke Courtesy Pay from your checking account, in our sole and absolute discretion, based on any one or more of the following criteria:
- You are not making regular deposits into your checking account;
  - You do not bring your checking account to a positive balance for at least one full business day within a thirty (30) day period;
  - Your membership is not in good standing;
  - You are more than thirty (30) days past due or are in default in any other respect on any loan or other obligation to us;
  - You have an outstanding balance due on an overdraft repayment plan;
  - Your primary savings account does not have a positive balance;
  - Your checking account is subject to any legal or administrative orders or levies;
  - You have insufficient credit or negative credit history;
  - You are a party to a bankruptcy proceeding;
  - Any or all of your account(s) with us are being reviewed for improper activity or transactions;

- Your checking account is classified as inactive;
- You use the Service to pay items written to check cashing agencies;
- You have an unresolved prior loss with us; or
- We believe you are not managing your checking account in a responsible manner which may harm you or us.

- 5. Courtesy Pay is a Discretionary Privilege.** Any payment made by us under Courtesy Pay will be made on a case-by-case basis, in our sole and absolute discretion. Courtesy Pay does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. Courtesy Pay is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.
- 6. Notification.** We may refuse to pay an overdraft at any time, even though we may have previously paid overdrafts. We have no obligation to notify you before we pay or return any item. It is important to remember that Courtesy Pay is a purely discretionary benefit offered by the Credit Union. If at any time we determine that your account is no longer eligible for Courtesy Pay for any reason, we can discontinue it immediately without notice to you.
- 7. How Courtesy Pay is Administered.** If you are eligible for the Service, we will generally pay your overdraft items up to a maximum amount established by the Credit Union in its sole and absolute discretion, including fees. We are not required to notify you of any nonsufficient funds checks, ACH items, or other transactions that may have been paid or returned. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.
- 8. When is the overdraft payment due?** The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.
- 9. Courtesy Pay Fees.** A Courtesy Pay Fee will be charged to your checking account, in accordance with our Rates and Fees Schedule, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through Courtesy Pay. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through Courtesy Pay and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under Courtesy Pay, you are subject to a Non-Sufficient Funds (NSF) Fee in accordance with our Rates and Fees Schedule for each such item each time it is presented for payment and returned unpaid due to an insufficient available balance. In certain circumstances, the Credit Union may, in its sole and absolute discretion, pay a transaction even though it exceeds your Courtesy Pay limit. If that occurs, you will be assessed a "Paid Item (non-Courtesy Pay)" Fee in accordance with our Rates and Fees Schedule. Your periodic statement will itemize Courtesy Pay Fees, NSF Fees and Paid Item (non-Courtesy Pay) Fees for each cycle, as well as the year-to-date total of fees.
- 10. Transfers to Cover Overdrafts.** You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.
- 11. Right of Setoff.** In addition to any other rights that we may have, you agree that any deposits, future deposits, or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless you decline Courtesy Pay (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of Courtesy Pay.
- 12. Default.** You will be in default under the terms of Courtesy Pay if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft privileges, terminate Courtesy Pay, or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.
- 13. Termination; Suspension.** We may terminate or suspend Courtesy Pay at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. We can delay enforcing any of our rights without losing them.
- 14. Your Right to Decline Courtesy Pay. Any owner of the checking account may decline the service.** If you prefer not to have the Service, visit us in a branch, contact us at 1-800-991-2221, or write to us at P.O. Box 525, Oshtemo, MI 49077, and



include your name, member number and a statement that you are declining the Credit Union's Courtesy Pay Service and we will remove the Service from your checking account. If you decline the Service, you will still be charged an NSF Fee for each item returned each time an item is presented for payment and returned unpaid due to an insufficient available balance.

- 15. Optional Overdraft Protection Plans.** As discussed in more detail above, we also offer the optional Overdraft Transfer Service which links your checking account to a savings account, as well as other overdraft sources and may be less expensive than Courtesy Pay. To learn more, please ask us about these plans.

**THE BEST WAY TO KNOW HOW MUCH MONEY YOU HAVE AND AVOID PAYING OVERDRAFT FEES IS TO RECORD AND TRACK ALL OF YOUR TRANSACTIONS CLOSELY. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS "YOUR LIABILITY FOR OVERDRAFTS" SECTION, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT 1-800-991-2221, OR VISIT ANY BRANCH.**

#### OTHER RULES APPLICABLE TO YOUR MEMBERSHIP AND ACCOUNTS

**Illegal Transactions.** You warrant and agree that you will not use any Credit Union services or loan or deposit accounts to make or cause to be made any transaction that is deemed illegal under applicable law, including, but not limited to, any gambling activity, embezzlement, identity theft, money laundering or terrorist activity. Any such use shall constitute a breach of this Agreement. We may delay processing or refuse to process any transaction that we believe to be illegal, suspicious or unenforceable and will not be liable to you for such delay or refusal. You further agree to indemnify us and hold us harmless from any liability of any kind and costs incurred by us in any form whatsoever that results directly or indirectly from such illegal use. We will also not be liable to you if we in good faith freeze your accounts and/or notify our regulators or local or federal enforcement authorities regarding any activity we believe to be illegal, suspicious, or unenforceable.

**Negative Information Notice.** We may report information about your accounts to credit bureaus. Late payments, missed payments, insufficient funds transactions or other defaults on your account may be reflected in your credit report.

**Account Rates and Fees.** We pay interest or dividends on accounts and assess fees against your account as set forth on the Rates and Fees Schedule. You agree that we may debit your account for any fees incurred without prior notice to you. We may change the Rates and Fees Schedule at any time and will notify you as required by law. For the most current rates and fees, you may contact us at any time and manner available.

**Statements and Copies of Checks.** If we provide a periodic statement for your account, we will send or make available to you a periodic statement of transactions and activity on your account during the statement period as required by applicable law. In the case of multi-party accounts, you agree and acknowledge that we are required to provide only one statement on the account and can provide it to any one of the parties on the account as we choose.

For checking accounts, you understand and agree that your original check (or substitute check), when paid, becomes our property and may not be returned to you. We may, but are not required to, retain the original checks. You agree to keep copies of your checks in order to verify their validity. If you request copies of your checks, you agree that we may provide an electronic image of the check or a sufficient copy thereof. We may charge you, and you agree to pay, fees for providing copies of the checks and/or any research involved with your request, as set forth on the Rates and Fees Schedule.

You understand and agree that statements are made available to you on the date they are mailed to you or delivered electronically. You also understand and agree that checks or copies thereof are made available to you on the date the statement is sent to you, even if the checks do not accompany the statement.

**Your Duty to Examine.** You are responsible for promptly examining each statement and reporting any irregularities or issues to us. Except as may be otherwise required by law, we will not be liable for any forged, altered, unauthorized, unsigned, or improperly endorsed or encoded items drawn on your account if: (1) you fail to notify us in writing within thirty (30) days of the mailing date of the earliest statement containing or evidencing such irregularities regarding any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

If you fail to receive a periodic statement you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

**e-Statements.** If we make this service available to you, you may agree to receive statements via electronic means, whereby your periodic statement will be sent electronically to, and made available on, our on-line banking website. Please see the provision, "Electronic Statements, Electronic Notices, Electronic Disclosures and Electronic Agreements" for more information regarding e-statements.

**Notices; e-Notices; Name or Address Change.** Any written notice we give to you is effective when it is made available in our on-line banking system (if you have agreed to receive such notices electronically), or when it is deposited in the U.S. Mail, postage prepaid and addressed to you at the most recent mailing address on file with us. Notice to any account owner is considered notice to all account owners. Any written notice you give us is not effective until we actually receive it in our offices.

You agree to notify us of any postal or e-mail address change or name change in writing. We reserve the right to require verification of your identity and proof of a change in address prior to making any changes in our records. We are only required to attempt to communicate with you at the most recent address you have provided to us. If you fail to provide notice of a change in address or name, we may impose fees as set forth on the Rates & Fees Schedule.

**e-Notices.** If we make this service available to you, you may agree to receive electronically all notices regarding your membership, account(s), or services with us whereby these notices will be e-mailed to you or sent electronically to, and made available on, our on-line

banking website. Please see the provision, "Electronic Statements, Notices, Disclosures and Agreements; Electronic Services" for more information regarding e-notices.

**Electronic Statements, Notices, Disclosures and Agreements; Electronic Services.** We may provide electronic document delivery services for the delivery to you of all disclosures, statements, notices, contracts or agreements, receipts, modifications or amendments, and all other documentation regarding your membership, accounts, transactions, or other business you have with us (collectively referred to as "documents" or "documentation"). If you agree to receive such documentation electronically, you specifically agree and acknowledge that we may provide the documents electronically either by sending an e-mail with the text of the documents embedded in the text of the e-mail message or as an attachment contained within the e-mail, or by posting such documents on our website or on-line banking service and notifying you that the documents have been so posted. You have a right to request and receive a paper copy of these documents if that right is provided under applicable law. You may also withdraw your consent and revoke your agreement to receive the documents electronically. To request a paper copy or to revoke your consent, call, write, or e-mail us at the number and addresses provided on the Rates & Fees Schedule.

We may also offer electronic services such as on-line banking or on-line bill pay, which allow you to conduct transactions to and from your account(s) and to conduct other business with us electronically. You may be required to sign a separate agreement regarding these services and you will be subject to any on-line instructions, rules, agreements, and restrictions provided on the website(s) or provided to you at the time you open an account or enroll in these services. You may be required to be enrolled in our on-line banking service in order to enroll in our electronic document delivery service.

Enrollment in, and use of, these electronic services does not relieve you of your duty to promptly examine your statements, checks, and other documentation for irregularities or discrepancies regarding your accounts in accordance with this and your other Agreements you have with us. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

**System Disruptions.** You understand and agree that such electronic services may occasionally be unavailable for short periods of time due to system maintenance or other reasons. We will not be liable for any delay that this may cause and you are ultimately responsible for conducting your transactions in a timely manner with regard to your banking and bill-paying needs. In the unlikely event that our electronic services become unavailable for a prolonged period of time, you understand and agree that you still have access to the Credit Union and your account(s) in the traditional manner (i.e., in person, by mail, telephone, or check-writing), and we will not be liable to you if you fail to use these means to conduct your business with us.

**Security Safeguards.** Even if you enroll in on-line banking or bill pay or our electronic document delivery service, we may from time to time require certain transactions to be made in-person or we may require verification or authentication of your identity for security purposes before a transaction or other business with us may be initiated, processed, or completed. You agree and understand that this is for the protection of us and you and is intended to safeguard your personal information and all funds held in or by the Credit Union, and to help prevent Identity Theft and bank fraud. You agree that we will not be liable for any delay in, or prevention of, any transaction or business conducted by you due to these security measures.

**Legal Process Against Your Account.** If any legal action is brought against your account such as tax levy, garnishment, attachment, etc., we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. We will not be liable to you for any such payout, even if it leaves insufficient available funds in your account to pay checks you have written or other items that have not yet been processed. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest in your account and our right to set-off.

**Power of Attorney.** We may allow a third person to act as your Attorney-in-Fact pursuant to a Power of Attorney, but we are not required to do so. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. You understand and agree that we are under no obligation to honor any power of attorney and we have no duty to investigate or verify the scope, authenticity, or validity of any Power of Attorney. We also have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by your Attorney-in-Fact.

**Sharing and Disclosing Account Information.** While we value your right to privacy and confidentiality of your personal information, there are times where your information will be shared and disclosed, as follows:

**With joint account owners and other parties to the transaction.** If you have a joint deposit account or loan account, or if you enter into a transaction or account with us that requires a guarantor or a third-party owner of pledged collateral, you specifically agree to allow us to share and disclose information pertaining to those accounts with all your joint owners and other such persons described herein. By agreeing to involve these persons in your accounts and transactions, you acknowledge and agree that you are waiving your right to privacy in this regard and that it is understood that each of you will see each other's personal, non-public information that would otherwise be held in confidence.

**With Third Parties.** We generally do not disclose your account information to third parties except: (1) when it is necessary in processing a transaction, whether that is to pay an item or to send a notice of dishonor or nonpayment; (2) to exchange, in the normal course of business, credit information with third party financial institutions or other business entities or a third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) to provide information to our regulators or law enforcement when we in good faith belief we have been a victim of a crime or we have observed suspicious activity; (4) in order to comply with a government agency inquiry, subpoena or court order or a valid attachment, garnishment, or other legal action; (5) you give us written permission; (6) to guarantee a check by a third party; (7) at account opening, account renewal, or account review; (8) when we are attempting to collect a debt owed to us; or (9) any other reasonable disclosure allowed by law and appropriate to the circumstance. You also understand and agree that we may from time to time

receive credit reports and other information about you in connection with your accounts. Upon request, we will give you the name and address of each agency from which we obtain such a report.

**Inactive or Dormant Accounts.** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Rates and Fees Schedule, we may classify your account as inactive, abandoned or dormant. Unless prohibited by applicable law, we may charge dormancy or inactivity fees as set forth in the Rates and Fees Schedule. To the extent allowed by law, we reserve the right to transfer the account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**Death or Incompetence of Account Owner.** We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death or adjudication of incompetence and are provided satisfactory evidence thereof, such as a certified death certificate or court order. Once we are notified of a member's death or incompetence, we may pay drafts or honor other payments or transfer orders authorized by the member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming the owner's account funds to indemnify us for any losses resulting from our honoring that claim. Upon the death of an individual account owner, we will pay all funds on deposit in accordance with the specific instructions on the Account Card such as to a Payable on Death Beneficiary. If there is no beneficiary designation, no probate proceedings or no estate, we may, but are not required to, pay the funds to any heir, who will be solely responsible for any further distribution of the funds. Alternatively, we may hold the funds until a proper court order is presented to us. We may require proper documentary evidence satisfactory to us before we determine the proper treatment of the funds and before we will release funds to any claiming party. Funds in a joint account will be payable subject to the provision, "Joint or Multiple Party Accounts". Any payment of funds upon the death or incompetence of any account holder is subject to our lien and security interest. This Agreement will be binding upon any heirs or legal representatives of any account owner.

**Termination of Account(s) and Service(s).** We, in our sole discretion, may terminate, limit or restrict, as we in our sole discretion deem appropriate, any of your account(s) or service(s), including but not limited to loan services and electronic services, or place a freeze on any sums on deposit with us at any time without notice or require you to close your account(s)/service(s). We may also require you to apply for a new account(s)/service(s) if: (1) there is a request to change the owners or authorized users; (2) there is a fraud/forgery or unauthorized use committed or reported; (3) there is a dispute as to ownership of any account or sum on deposit; (4) there are any share drafts that are lost or stolen; (5) there are returned unpaid items-transactions not covered by an overdraft protection plan with us or any abuse of any such plan per our assessment thereof; (6) there is any misrepresentation regarding any account(s) or service(s) or any other abuse of any of your accounts(s) or service(s); (7) the Credit Union incurs any loss or believes it may incur any loss relating to any loan(s), account(s) or service(s) you have with us; (8) if we believe you have been negligent in protecting any access devices or codes; (9) we deem it necessary to protect the Credit Union from any risks or losses, or otherwise deem it to be in the best interests of the Credit Union, our members or our employees; (10) you breach any promise under this Agreement or any other agreements with us including but not limited to any default or other delinquency with regard to any loan or other agreements; (11) if bankruptcy or any other insolvency proceeding is filed by or against you, or if we otherwise deem you to be insolvent or incapable of meeting your obligations to us; (12) you refuse or fail to cooperate as provided in this Agreement; or (13) you violate any Credit Union policy, procedure or standard or any law, regulation or rule. We, on our own accord, may place a stop payment on any share draft, item or transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends. You may terminate an individual account by notifying us in writing. We have the right to require the written consent of all owners to terminate a joint account. We are not responsible for any draft, withdrawal, item or transaction after your account is terminated. However, if we pay any item after termination, you agree to reimburse us.

We reserve the right to require that all checking accounts and related services be closed or deactivated if you move your residence outside the U.S., its territories, or its possessions. If you do not close or deactivate the checking accounts within 30 days of your move, we may close the accounts.

**Termination of Membership.** You may terminate your membership by giving us notice and otherwise following our policies and procedures. You may be denied services or expelled for any reason allowed by applicable law, including having your membership account or primary share account balance fall below the required par value for membership, or causing a loss to the Credit Union. Disrespectful or threatening behavior will also be considered grounds for termination of membership. Termination of your membership does not relieve you of your obligations to pay any fees or obligations that you owe us, and you are still responsible for any outstanding items that have not yet been processed or paid. Once membership has been terminated, no further transactions or services will be allowed.

**Weapons.** It is our policy to prohibit firearms and weapons inside any Credit Union location. This policy applies to all employees, vendors, and members (excluding law enforcement). Violation of this policy may result in termination of your membership.

**Amendment.** We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. You agree that our provision of a notice to you summarizing the changes together with information on how you may obtain a complete copy of the revised Agreement constitutes sufficient notice of the change. When we change this Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

**Changes in Accounts or Ownership.** Any changes in accounts or services requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed form approved and accepted by us. We reserve the right to require all account owners on a multiple-party account to consent to any changes and to sign the change form.

**Telephone Monitoring and Calling.** You agree we may monitor and record telephone calls made or received by us or our agents regarding your account to assure the quality of our service. In order for us to service the account or to collect any amounts you may owe, and subject to applicable law, you agree that we may from time to time make calls and send text messages to you using prerecorded/artificial voice messages or through the use of an automatic dialing device at any telephone number you provide to us in connection with your account, including a mobile telephone number that could result in charges to you.

**Severability; Headings; No Waiver.** If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall remain valid and enforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement. We reserve the right to waive or choose not to enforce any and all terms, rights, or remedies under this Agreement and such waiver shall not affect our right to enforce that or another term, right, or remedy at a later time.

**Enforcement.** Except as set forth in the Resolution of Disputes by Arbitration section, you are liable to us for any loss, cost or expense that we incur resulting from your failure to follow this Agreement. This shall include reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you.

**Governing Law.** This Agreement is governed by our Bylaws, federal laws and regulations, local clearing house rules, and the local laws (including applicable principles of contract law) and regulations of the state in which our administrative office is located. Except as set forth in the Resolution of Disputes by Arbitration section, as permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which our administrative office is located.

**Our Right to Place a Hold on Your Account(s).** If at any time we believe that your account may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, at our discretion, freeze the funds in the account and in other accounts you maintain with us, without any liability to you, until such time as we are able to complete our investigation of the account and transactions. If we do freeze your account funds, we will provide notice to you as soon as reasonably possible. Notice may be made by mail or verbally or provided by other means, such as online banking or text alerts as permitted by law. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to us or to the owner of the funds in the account.

**Permitted Time for Filing a Lawsuit.** You must file any lawsuit or arbitration against us within one year after the cause of action arises, unless federal or state law or an applicable agreement provides for a shorter time. This limit is in addition to limits on notice as a condition of making a claim.

**Use of Recording Devices.** The Credit Union does not permit its Members, you, or members of the general public to use electronic, digital or other recording devices to record in-person, telephonic or other communications or interactions of or with Credit Union personnel without the express prior consent of the Credit Union management. The Credit Union expressly revokes, rescinds and withdraws any consent or permission to such recording that might otherwise be implied by law.

**Member Provided Content.** If you send the Credit Union a photograph, image, video or other content ("Content"), you are granting the Credit Union a non-exclusive, transferrable, sublicensable, royalty-free, worldwide license to use, host, publish, distribute and/or display such Content for any purpose, in any and all media now known or hereafter devised, on the Credit Union's website, in promotional or informational materials, and/or on social media, for publicity and promotional purposes without further compensation unless prohibited by law. By providing Content to the Credit Union, you represent and warrant that you have the right to grant the rights and licenses described in this section and further represent and warrant that the Content does not violate, misappropriate or infringe on the rights of any third party.

**Consent to Filming and Photography.** When you enter upon Credit Union property or attend a Credit Union meeting, event or program, you enter an area where photography, audio, and/or video recording may occur. By participating in any of the foregoing activities, you consent to photography, audio recording, video recording and the release, publication, exhibition, distribution, display or reproduction of same for any and all purposes, including promotional purposes, advertising, inclusion on the Credit Union website, social media or any other purpose by the Credit Union. You release the Credit Union, its officers, directors and employees, and all other persons involved from any liability connected with the taking, recording, digitizing, display, distribution or publication and use of photos, images, video and/or sound recordings. You waive all rights you may have to any claims for payment of royalties in connection with any use, display, exhibition, streaming, webcasting, distribution or other publication of these materials regardless of the purpose of same, and further waive any right to inspect or approve any photo, video or audio recording taken by the Credit Union or the person/entity designated to do so by the Credit Union.

**Non-Solicitation.** The Credit Union prohibits the solicitation, distribution and posting of materials on or at the Credit Union's property by any member, employee. As used herein, the term "solicitation" includes canvassing, soliciting or seeking to obtain support for an elected office or Board position; seeking to obtain membership in or support for any organization; requesting contributions; posting or distributing handbills, pamphlets, petitions, or other materials of any kind; use of Credit Union resources (including without limitation bulletin boards, computers, mail, e-mail and telecommunication systems, photocopiers and telephone lists and databases); peddling or otherwise selling, purchasing or offering goods and services for sale or purchase; and distributing advertising materials, circulars or product samples, or engaging in any other conduct relating to any outside business interests or for profit or personal economic benefit. The Credit Union reserves the right, in its sole and absolute discretion, to exempt from this non-solicitation prohibition, certain non-political non-profit



organizations/charities that support the mission of the Credit Union and/or that the Credit Union supports as part of charitable and community mission, as well as Credit Union-sponsored programs/events related to the Credit Union's products and services. Whether a particular group, organization or person satisfies this exception shall be determined by the Credit Union in its sole discretion.

**Binding Arbitration and Class Action Waiver – Resolution of Disputes by Arbitration:** THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

- A. Agreement to Arbitrate Disputes.** Either you or we may elect, without the other's consent, to require that any dispute between us concerning your membership, your deposit accounts ("Accounts") and the services related to your membership and Accounts, including but not limited to all disputes that you may raise against us, must be resolved by binding arbitration, except for those disputes specifically excluded below.
- B. No Class Action or Joinder of Parties.** YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.
- C. Disputes Covered by Arbitration. YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL.** Any claim or dispute relating to or arising out of your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.  
  
All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your Accounts. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its affiliates, successors, assignees, officers, directors, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.
- D. Disputes Excluded from Arbitration.** Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Resolution of Disputes by Arbitration provision. Our Claims or disputes against you arising from your status as a borrower under any loan agreement with the Credit Union or to collect any funds you may owe us are also excluded from this Resolution of Disputes by Arbitration provision.
- E. Commencing an Arbitration.** The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS. If you initiate the arbitration, you must notify us in writing at:

Consumers Credit Union  
Attention: Compliance Department  
P.O. Box 525  
Oshtemo, MI 49077

If we initiate the arbitration, we will notify you in writing at your last known address on file. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:

American Arbitration Association  
1-800-778-7879 (toll-free)  
[www.adr.org](http://www.adr.org)

JAMS  
1-800-352-5267 (toll-free)  
[www.jamsadr.com](http://www.jamsadr.com)

The arbitration shall be conducted in the same city as the U.S. District Court closest to your home address, unless the parties agree to a different location in writing.

- F. Administration of Arbitration.** The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years of experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this arbitration provision, in which case this arbitration provision will prevail. Those provisions and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the Arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.
- G. Costs.** The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, We will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring Us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.
- H. Right to Resort to Provisional Remedies Preserved.** Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies, except in an action by us against you that has been initiated by Us to collect funds that you may owe to us.
- I. Arbitration Award.** The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.
- J. Governing Law.** You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Michigan shall apply.
- K. Severability, Survival.** These arbitration provisions shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. If any portion of this Resolution of Disputes by Arbitration provision is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provision shall remain in force. No portion of this Resolution of Disputes by Arbitration provision may be amended, severed, or waived absent a written agreement between you and us.
- L. Applicability.** Arbitration will not apply to your Account as long as you are an active duty Service Member.

**M. Right to Reject this Resolution of Disputes by Arbitration Provision. YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:**

**Agreement to the Resolution of Disputes by Arbitration provision:**

1. If you agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on your part.
2. If you take no action, then effective immediately your Accounts will be bound by this Resolution of Disputes by Arbitration provision.

**Rejection of the Resolution of Disputes by Arbitration provision:**

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of receiving this notice, including the following information:
  - a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
  - b. You must send Your written notice to us at the following address:

Consumers Credit Union  
Attention: Compliance Department  
P.O. Box 525  
Oshtemo, MI 49077

**LIMITATION OF LIABILITY.** EXCEPT WHERE REQUIRED BY LAW OR THIS AGREEMENT SPECIFICALLY PROVIDES OTHERWISE, WE WILL NOT BE LIABLE FOR ANY ACTION OR INACTION EXCEPT FOR OUR INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE. EXCEPT AS MY BE OTHERWISE REQUIRED BY LAW, YOU AGREE THAT IN NO EVENT SHALL THE CREDIT UNION'S LIABILITY TO YOU EXCEED YOUR ACTUAL DAMAGES OR THE SUM OF \$10,000.00, WHICHEVER IS LESS. IN NO EVENT WILL CREDIT UNION BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR OTHER ECONOMIC LOSS IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

**ELECTRONIC FUNDS TRANSFER AGREEMENT and DISCLOSURE - REG E**

This Electronic Funds Transfer Agreement and Disclosure ("Agreement") is the contract which governs the rights and responsibilities of both parties regarding electronic funds transfer services offered by us. ("Account" means any one or more of your savings, money market, and checking account(s) you have with us. Electronic funds transfers are electronically-initiated transfers of money from or to your account through the various services described below. By signing an application or account card for EFT services, or by accessing any service, you agree to the terms and conditions in this Agreement, and amendments thereto, and any other agreements that may govern your accounts. We may refuse any transaction which would draw upon insufficient funds, lower an account below any required minimum balance, exceed a credit limit, or otherwise require us to increase our required reserve on an account.

**TYPES OF ELECTRONIC FUND TRANSFER SERVICES.** The following describes the services, if approved, that are available, and some limitations that apply:

1. **Debit MasterCard.** You may use your Debit MasterCard and/or PIN to:

- Withdraw funds from your savings, checking and money market accounts.
- Make deposits to your savings, checking and money market accounts.
- Transfer funds between your savings, checking and money market accounts whenever you request.
- Obtain balance information on your savings, checking and money market accounts.
- Pay for purchases at places that have agreed to accept the Card.
- Make POS (Point of Sale) transactions to purchase goods or services at POS terminals that have the MasterCard logo.
- Order goods or services by mail, telephone, or via the Internet from places that accept the Card.
- Make cash withdrawals in foreign countries and in foreign currencies.

Some services may not be available at all terminals. The amount of purchases and/or cash obtained (if permitted) will be deducted from your checking account. Advances from your line-of-credit account are loans that must be repaid by you, and are governed by your line-of-credit agreement.

**Limitations.** The following limitations will apply to your Card:

- The maximum dollar amount of cash withdrawals per day is \$1,000. Sufficient funds must be available to make any withdrawal. You may make only 15 cash withdrawals in one day.
- The maximum purchase price for any one transaction at a POS Terminal is \$10,000. You may make only 15 purchases in one day.
- For security reasons, there are other limitations to frequency and number of transfers you may make at ATMs.
- Your available account balance may be reduced for preauthorizations for 3 business days or until the transaction clears.
- You may be limited in making deposits at an ATM that we do not operate or own.

2. **Electronic Check Conversion & Electronic Returned Check Fees.** If you pay for something with a check, you may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to: (1) pay for purchases or (2) pay your bills. When your check is used to initiate an electronic funds transfer in this way, you authorize the funds to be debited from your account as soon as the same day, and your check may not be returned to you. You also authorize a one-time electronic funds transfer to pay a Returned Check/EFT fee or Non-sufficient Funds fee if you have insufficient funds.

3. **Preauthorized Electronic Funds Transfers.** You may authorize periodic or recurring automatic payments from, and deposits into, your designated account(s). Examples of such transfers include direct deposit of your paycheck or Social Security check into your designated Credit Union account; automatic payment(s) from your designated Credit Union account to third parties; and automatic payment from your designated Credit Union account for loan payments or other amounts you owe us.

The frequency and amounts of these preauthorized transfers will be subject to and in accordance with the authorization that you sign, and any separate agreement you have with the originator of the transfer.

4. **Voice Access.** You may access your accounts via our touch-tone telephone system. We will assign you a PIN to use this service. You may use telephone access to:

- Transfer available funds between your savings, checking, money market, and club accounts;
- Obtain available balance, account activity, and other information on your savings, checking, money market, club, and loan accounts;
- Verify whether a check or other item has cleared your account;
- Make loan or credit card payments from your savings, checking, money market, and club accounts;
- Take advances from your line-of-credit loan account;
- Obtain tax information on amounts earned on applicable accounts;
- Change your PIN number on the telephone access service;

The telephone access service is available twenty-four (24) hours a day, but may be inaccessible for a short period each day for data processing.

**Limitations.** The following limitations will apply to the Telephone/Audio Response Service:

- The maximum number of transactions per call is: None
- The maximum number of transfers per day is: None.
- The maximum dollar amount per transfer is: \$10,000.
- The maximum dollar amount of transfers per day is \$10,000.

5. **Online Banking.** We offer an Online Banking service that you may access from a personal computer that has Internet access. You will need your assigned password and member number or user name to access your accounts, as instructed when you log on. You may use this service for the following:



- Withdraw available funds from your accounts;
- Make deposits to your savings, checking, money market, and club accounts;
- Make transfers between your savings, checking, money market, and club accounts;
- Make transfers to or from your accounts at another financial institution;
- Make transfers to a third party using email or text messages;
- Obtain actual and available balance information on your savings, checking, money market, and club accounts;
- Make payments on your Credit Union loans from your savings, checking, money market, and club accounts;
- Access internet bill pay services to make payments to various creditors;
- Verify whether a check or other item has cleared your account;
- Take an advance from a line of credit account;
- Obtain tax information on amounts earned on applicable accounts;
- Obtain information on interest paid on loan accounts;
- Change your password for Online Banking;
- Access or utilize other services that we may make available to you from time to time

Our Online Banking service will be available to you 24 hours a day, but may be interrupted for a short period of time each day for data processing. Security protocols will be in place, such as electronic lock-out if there are numerous unsuccessful attempts to enter a transaction, and limits on the duration of access.

Other EFT Disclosures contained in this document apply to Online Banking services as well. You will also be required to comply with instructions and agreements provided on-line when you log onto the Online Banking service.

**6. Online Bill Payment Services.** Through our Online Banking service, we offer Bill Pay services so that you may pay your bills to third-party creditors and payees electronically. You must agree to the online bill payment services agreement included on the bill pay services website, which agreement is incorporated by reference herein. You may also be required to comply with other instructions and agreements provided on-line when you log onto the Bill Pay service.

**7. Mobile Banking Services.** Through our Online Banking service, we offer mobile banking services. You must agree to the online mobile banking service agreement as well as to the terms and conditions contained on the Online Banking services website when you enroll in mobile banking, which agreements are incorporated by reference herein. You may also be required to comply with other instructions and agreements provided on-line when you log onto the mobile banking service. This Agreement also applies to the mobile banking service.

**FEES.** There are certain fees and charges for using electronic funds transfer services. For a current list of the types and amounts of these fees, please see your Rates & Fees Schedule that was provided to you. ATM Fees: Additionally, when you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. The amount of this fee will be disclosed to you by the owner of the ATM.

#### **USE OF EFT CARDS AND SERVICES.**

Ownership: any card or other access device that we provide you remains our property and must be returned to us, our agent, or to any person who is authorized to honor the card according to our instructions. We may repossess the card at any time in our sole discretion without demand or notice to you. You cannot transfer the card, access code, or account to another person, and you will be liable for any transfers made by anyone to whom you give your card or access codes.

Honoring the Card(s); Refunds: Neither we nor the merchants authorized to honor the card will be liable for failure or refusal to honor your card, access device, or code. If a merchant agrees to provide a refund or adjustment to you, you agree to accept a credit to your account instead of a cash refund.

Illegal Transactions: You shall not use your card to make any illegal transaction as determined by applicable law. We may decline any transaction that we believe to be illegal, including but not limited to any transaction involving or relating to any gambling activity. We will have no liability or responsibility for any such use or for declining any such transaction. You further agree to indemnify and hold us harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

Foreign Transactions; Currency Conversion: Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The conversion rate in dollars will be (1) a rate selected by MasterCard from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives; or (2) the government mandated rate in effect for the applicable central processing date in each instance. All transactions processed outside of the United States (which may include internet transactions) will be charged a foreign transaction fee in the amount disclosed on your Rates and Fees Schedule. Note that a foreign transaction includes transactions made in the United States but with a merchant who processes the transaction in a foreign country.

Security of Card and Access Codes. The access codes issued to you are for security purposes and any codes issued to you are confidential and should not be disclosed to anyone else or recorded on or with the card. You agree to safeguard the codes and agree not to disclose or otherwise make available your cards or codes to anyone not authorized to sign on your accounts. If you authorize someone to use your access codes, that authority shall remain in place until you specifically revoke that authority by notifying the Credit Union.

Joint Accounts. If any of your accounts accessed under this Agreement are joint accounts, all joint owners including any authorized users, shall be bound by the terms and conditions of this Agreement. You understand and agree that any joint owner you authorize to use an access code may withdraw or transfer funds from any one of your accounts without your prior notice or permission, and we will not be liable to you in any way. Each of you jointly and severally shall be responsible for any and all transactions under this Agreement regardless of which owner accessed the accounts or used the services. Each joint account holder is authorized to act for the others, and we may accept orders and instructions regarding any transaction on any account from any owner. We can refuse to follow conflicting instructions.

Reversing Electronic Fund Transfers: If an electronic fund transfer was payment of \$50.00 or more for goods or services, you have the right

to require us to reverse such transfer and to re-credit your account with the full amount of the transfer if: (a) you tell us within four (4) calendar days of the date of the transfer, to make such a reversal, (b) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (c) you assure us that any returnable goods involved in the dispute will be returned.

If you do these things in writing, you **MUST** send us a letter or call us at the address or telephone number set forth in the Billing Error Resolution section below. If you tell us orally that you want such a transfer reversal, you must send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. We must receive this letter within fourteen (14) calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests.

**No Right to Stop-Payment for Terminal Transactions.** Transfers made by terminal may be executed immediately. This means that a cash withdrawal or other debit transaction is immediately deducted from your account; there is no "float" time and therefore there is no effective way of stopping the transaction.

**LIABILITY FOR UNAUTHORIZED USE.** Tell us **AT ONCE** if you believe your Debit Card or any of your access codes have been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down.

*For cards with the MasterCard logo:* You will have no liability for unauthorized use of your MasterCard, provided that you have exercised reasonable care in safeguarding the Card from risk of loss or theft, and upon becoming aware of such loss or theft, you promptly report the loss or theft to us.

Under no circumstances, however, will you be liable for more than \$50 if you tell us within 2 business days after you learn of the loss or theft of your card or access code and someone used your card or access code without your permission. If you do **NOT** tell us within 2 business days after you learn of the loss or theft of your card or access code, and we can prove we could have stopped someone from using your card or access code without your permission if you had told us, you could lose as much as \$500.

You should always save your terminal receipts, keep a record of your transactions, and reconcile your receipts with your periodic statements. **If your statement shows transfers that you did not make**, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

**You are liable for all transfers or purchases made via your card(s), access code(s) or passwords that you authorize or allow.** If you give your card, access code, or password to someone else, you are responsible for all transfers or purchases that that person makes with your card or via the service that he or she accesses, even if that person uses the card or code in a way that you did not anticipate or intend. You may revoke your permission for the other person to use your card by notifying us in writing, and allowing us reasonable time to act on your notification.

**If you believe your card or access code has been lost or stolen**, call: 1-800-991-2221 during normal business hours or write: PO Box 525, Oshtemo, MI 49077. You should also call this number or write to this address if you believe a transfer has been made using the information from your check without your permission.

**BUSINESS DAYS.** For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

**DISCLOSURE OF YOUR INFORMATION.** We will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers;
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
3. In order to comply with government agency or court orders; or
4. If you give us your written permission.

## **RIGHT TO RECEIVE DOCUMENTATION**

**Periodic statements.** Transfer and withdrawal transactions made through any card, Online Banking or Bill Pay service, telephone access system, or preauthorized transfer will be reflected on your periodic statement. You will receive a monthly statement unless there are no transfers in a particular month. In any case you will get a statement at least annually.

**Terminal Receipts.** You can get a receipt at the time you make any transaction (except inquiries) to or from your account using an ATM, Point-of-Sale terminal, or Check Card transaction with a participating merchant. You should keep your statements and receipts, as they may be admissible evidence in legal proceedings if a dispute should arise and shall constitute prima facie proof that such transfer was made.

**Preauthorized EFTs.** If you have arranged to have a direct deposit or preauthorized debit or credit made to your account at least once every 60 days from the same person or company, you can call us at 1-800-991-2221 or use telephone access or Online Banking to find out whether or not the deposit has been made.

## **RIGHTS REGARDING PREAUTHORIZED PAYMENTS**

**Right to Stop Payment and Procedure for Doing So.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at 1-800-991-2221, or write us at PO Box 525, Oshtemo, MI 49077, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. (If you want to stop a payment being made through Bill Pay, you should follow the instructions within Bill Pay). If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. Please see the Rates & Fees Schedule for any fees charged for stopping payments.

**Notice of Varying Amounts.** If preauthorized recurring payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for Failure to Stop Payment of Preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

**OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough available funds in your account to make the transfer.
- If the funds in your account are pledged as collateral for a loan or frozen because of a delinquent loan or other reason.
- If the transfer would go over the credit limit on your overdraft line.
- If you used your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the error was caused by a system of any participating ATM network.
- If the ATM, POS terminal, telephone access system, Online Banking or Bill Pay system or other electronic service was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- Any other exceptions stated in any of our agreements with you or which may be amended in the future.

**BILLING ERROR RESOLUTION** (*does not apply to international remittance transfers*):

In case of errors or questions about your electronic transfers, contact us at the number or address listed below as soon as you can and include the information listed below. We must hear from you no later than 60 days after we sent the first statement on which the problem or error appeared.

By Telephone: 1-800-991-2221

By U.S. Mail: PO Box 525, Oshtemo, MI 49077

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days. So that we may fully investigate your complaint, we may ask you to provide additional information to the extent allowed by law. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45\* days to investigate your complaint or question. If we decide to do this, we will credit your account within 10\*\* business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For purposes of this provision, "error" means

- An unauthorized electronic fund transfer.
- An incorrect electronic fund transfer from or to the customer's deposit account.
- The omission of an electronic fund transfer affecting the customer's account.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation. See the Rates & Fees Schedule for any fees associated with such copies.

\*For errors involving new accounts, point of sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. \*\* For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

**Termination.** You may terminate this agreement by (1) notifying us in writing; and (2) destroying or returning your Card(s). We may terminate this agreement by notifying you in writing. Termination does not affect any party's rights under this agreement regarding any transactions made before termination.

**IMPORTANT SAFETY TIPS REGARDING THE USE OF ATM MACHINES.** The following is a list of safety precautions that you should follow when using an ATM machine (including outdoor ITMs) or night depository:

- Be aware of your surroundings, particularly at night;
- Consider having someone accompany you when using an ATM or Night Depository after dark;
- If the ATM facility is equipped with a door, close it tightly before beginning your transaction, and do not allow anyone you don't know into the facility with you;
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction;
- Refrain from displaying your cash - place it in your pocket or purse as soon as the transaction is completed. Count your cash in the safety of a locked enclosure such as a car or home;
- Use a different ATM or return at a later time if you notice anything suspicious while using or approaching the ATM. If you are in the middle of your transaction, cancel the transaction, take your card or deposit envelope, and leave;
- If you are followed after completing your transaction, go to the nearest public area where people are present;
- Do not write your personal identification number or code on your ATM card; and
- Report all crimes immediately to the operator of the automated teller machine or to local law enforcement officials. If emergency assistance is needed, call the police from the nearest available public telephone. If you have complaints or concerns about the security of the ATM, contact the operator of the ATM, or the state banking department.

## FUNDS AVAILABILITY POLICY

### Your Ability to Withdraw Funds

Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit, unless they involve an International ACH Transaction. See below for more information on International ACH Transactions. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

### Longer Delays May Apply

However, in some cases, the availability of funds may be delayed under the following circumstances.

**Case-by-Case Holds:** Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the first business day after the date of deposit.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Exception Holds:** In addition, funds you deposit by check may be delayed for up to the 7th business day after the day of your deposit under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available.

### Holds on Other Funds

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

### Deposits using Automated Teller Machines or Mobile Deposit

Funds from any deposits (cash envelopes or check) made at automated teller machines (ATMs), interactive teller machines (ITMs) using ATM functionality, or using mobile deposit will generally be available as follows: The first \$500 will be available the same business day of your deposit. The remainder becomes available on the second business day after the day of deposit.

Immediate availability for these deposits may be withheld at our discretion, and we may extend a lower initial amount of immediate availability for new members.

### Special Rules for New Accounts

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 9<sup>th</sup> business day after the day of your deposit.

### Business Days and Cut-off Times

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:30 p.m. Monday-Wednesday and 6:00 p.m. Thursday and Friday on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after that time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### International ACH Transactions

International ACH Transactions (IAT) that are transmitted to or from any of your accounts may be identified and designated by us for review and examination under the Office of Foreign Assets Control Rules and Regulations (OFAC Rules). In such a case, settlement of the IAT may be delayed or suspended, and may be terminated under applicable OFAC Rules. You also acknowledge that we may be required to place an indefinite hold on funds covered by the IAT if the IAT is required to be terminated under OFAC Rules. You agree that

any such delay is permissible under the laws applicable to the availability of funds held in deposit accounts. In the event an IAT is delayed or terminated, we will provide you such notice as may be required by applicable law.

### **Foreign Checks or Drafts**

Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

### **Substitute Checks and Your Rights-Important Information About Your Checking Account**

#### **What Is a Substitute Check?**

To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

#### **What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

#### **How Do I Make a Claim for a Refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 1-800-991-2221 or PO Box 525, Oshtemo, MI 49077. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and the following information to help us identify the substitute check: *identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check.*



## TRUTH-IN-SAVINGS DISCLOSURES

The following disclosures and terms apply to your accounts with the Credit Union. The Rates & Fees Schedule also sets out terms of your accounts and is hereby incorporated by reference as if fully set forth herein.

**1. RATE INFORMATION.** Please see our current Rates & Fees Schedule for current Annual Percentage Yield (APY), any applicable tiers, and variable rate accounts. The Annual Percentage Yield (APY) reflects the total amount of interest or dividends to be paid on an account based on the interest or dividend rate and frequency of compounding for an annual period. The interest or dividend rate and Annual Percentage Yield (APY) may vary as explained in the Rates & Fees Schedule.

**2. NATURE OF DIVIDENDS.** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

**3. COMPOUNDING AND CREDITING.** The frequency with which interest or dividends will be compounded and credited and the Dividend Period is set forth on the Rates & Fees Schedule. The Dividend Period begins on the first calendar day of the Period and ends on the last calendar day of the Period. If you close your deposit account before interest or dividends are paid, you may not receive the accrued interest or dividends.

**4. MINIMUM BALANCE REQUIREMENTS.** The minimum balance requirements for each account is set forth on the Rates & Fees Schedule. Minimum balance requirements may include a minimum opening deposit, the minimum balance that you must maintain in the account to avoid service fees, and the minimum balance that you must maintain each day to earn the stated Annual Percentage Yield for that account. The Par Value of a share in this credit union is also disclosed on the Rates & Fees Schedule.

**5. BALANCE COMPUTATION METHOD.** We use the *Daily Balance Method* and/or the *Average Daily Balance Method* to calculate interest or dividends on your account, as indicated on your Rates & Fees Schedule. The *Daily Balance Method* applies a daily periodic rate to the balance in the account each day. The *Average Daily Balance Method* applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

**6. ACCRUAL OF DIVIDENDS/INTEREST ON NONCASH DEPOSITS.** Interest or dividends will begin to accrue on the business day that you deposit noncash items (e.g. checks) to your account.

**7. CERTIFICATE OF DEPOSIT ACCOUNTS.** The following applies to Certificate of Deposit Accounts:

**Maturity.** Your account will mature according to the term indicated on the Rates & Fees Schedule, and as indicated on your account summary or statement.

**Early Withdrawal; Penalties.** We will impose a penalty if you withdraw any of the **funds** in your account before the maturity date. The amount of the penalty is disclosed on the Rates & Fees Schedule. The penalty is calculated as a forfeiture of part of the dividends that have been or would have been earned on the account, and applies whether or not the dividends have been earned. The penalty may be deducted from the principal amount of the deposit. The Annual Percentage Yield disclosed for your account is based on an assumption that interest or dividends will remain in the account until maturity; a withdrawal will reduce earnings. Early withdrawal penalties may be permitted or reduced for IRA accounts or other accounts if applicable law allows.

**Renewal Policies.** Your certificate of deposit account may or may not automatically renew at maturity as indicated on the Rates & Fees Schedule. If it automatically renews you will have a grace period, also indicated on the Rates & Fees Schedule, in which you may withdraw or transfer the funds without incurring an Early Withdrawal Penalty. If the account does not automatically renew, the Rates & Fees Schedule or the Account Receipt will indicate whether interest or dividends will continue to accrue after maturity.

**8. FEES AND CHARGES.** We may impose fees, charges, or penalties against your account(s). Please see our Rates & Fees Schedule for the types, amounts, and conditions of the fees and charges.

**9. TRANSACTION LIMITATIONS. For Christmas Club Accounts:** The entire balance will be transferred to your share account on or after November 1<sup>st</sup> and the account will remain open. The funds will be available on October 1 via Online Banking or Voice Access Transfer. **For Certificate of Deposit Accounts:** After your account is opened, your ability to make additional deposits to your account before maturity may be limited, and withdrawals of dividends prior to maturity might result in a penalty. See the Rates & Fees Schedule for more details. **For IRA Certificate Accounts:** After your account is opened, if you are allowed to make additional deposits, you may not exceed those amounts set forth by applicable law within any single calendar year. **Accounts as security for loans and other obligations:** If you have pledged your shares in the credit union as borrower or guarantor on any loan or other obligation that you owe to us, or if you are delinquent on that obligation, you cannot withdraw an amount that would cause your accounts to fall below the amount that you owe. See your loan documents for more details. **Additional Limitations:** Additional limitations may apply to the use of your accounts in accordance with any other Agreements you may have with us, e.g., Electronic Funds Transfer Agreement, Online Banking Agreement, etc.

**Written Notice of Withdrawal:** The credit union reserves the right to require a member intending to make a withdrawal from any account (except a share draft account) to give written notice of such intent not less than seven days and up to 60 days before such withdrawal.



Consumers Credit Union  
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Oshtemo, MI 49077-0525

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